

AM03

Notice of administrator's proposals



Companies House

FRIDAY



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15/02/2019 #292
COMPANIES HOUSE

1 Company details

Company number 03157774

Company name in full Caspian Media Limited

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

2 Administrator's name

Full forename(s) Benjamin John

Surname Wiles

3 Administrator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode SE29SG

Country

4 Administrator's name ①

Full forename(s) Paul David

Surname Williams

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

5 Administrator's address ②

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode SE19SG

Country


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

AM03
Notice of Administrator's Proposals

6 Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7 Sign and date

Administrator's Signature	Signature 																	
Signature date	<table><tr><td>d</td><td>1</td><td>d</td><td>4</td><td>m</td><td>0</td><td>m</td><td>2</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>9</td></tr></table>	d	1	d	4	m	0	m	2	y	2	y	0	y	1	y	9	
d	1	d	4	m	0	m	2	y	2	y	0	y	1	y	9			

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name **Charlotte Tasker**

Company name **Duff & Phelps Ltd.**

Address **The Shard**

32 London Bridge Street

Post town **London**

County/Region

Postcode

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Country

DX

Telephone **0207 089 4833**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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



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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

Statement of Proposals

13 February 2019

Caspian Media Limited (In Administration)

Joint Administrators' Statement of Proposals

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Agency Business	A contract publishing division of the Company
the Agent	SIA Group UK (London) Limited of 107 Cheapside, London, EC2V 6DN, independent agents who were instructed to value the assets of the Company
the Appointment Date	6 February 2019, being the date of appointment of the Joint Administrators
BEIS	Department for Business, Energy & Industrial Strategy
Business Advice	A content marketing sub-division of the Company, targeted at the micro-business sector
CMH	CM Harbour Limited (Company Number 10699867), the Company's immediate and ultimate parent company
the Company	Caspian Media Limited (In Administration) (Company Number 03157774)
the Directors	Sarah Woollett and Steven Randell, the directors of the Company at the Appointment Date
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Events	A division of the Company which operated conferencing and awards related events
HMRC	HM Revenue and Customs
IPR	Intellectual Property Rights
LB Group	LB Group Limited, tax advisors instructed by the Joint Administrators in relation to the Company's tax position
the Joint Administrators	Benjamin John Wiles and Paul David Williams of Duff & Phelps Ltd The Shard, 32 London Bridge Street, London, SE1 9SG
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Prosper	Prosper (Media) Limited (Company Number 11807272), the purchaser of the Real Business and Business Advice divisions of the Company
the Purchasers	Prosper and RDM

Real Business	A content marketing sub-division of the Company, targeted at SMEs
Real Deals	A content marketing and publishing division of the Company targeted at the Private Equity sector
RPS	Redundancy Payments Service
RDM	Real Deals Media Limited (Company Number 06859732), the purchaser of the Real Deals and Events divisions of the Company
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	RC Caspian LLP, the holder of a fixed and floating charge over the Company's assets
Shoosmiths	Shoosmiths LLP, solicitors instructed by the Joint Administrators to assist with placing the Company into Administration, and deal with the sales to RDM and Prosper
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by connected parties
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SMEs	Small and Medium Enterprises
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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1. Introduction

- 1.1 The Joint Administrators were appointed on 6 February 2019 by the Directors of the Company.
- 1.2 The functions of the Joint Administrators may be exercised by either of them.
- 1.3 This report is the statutory statement of proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.
- 1.4 These proposals are deemed delivered to creditors within 2 business days of the date of this report.

2. Background

- 2.1 Statutory information on the Company and a summary of its recent financial history is included at Appendix 1.
- 2.2 The Company, originally established on 12 February 1996, operated in the media and marketing industry.
- 2.3 Given that the SIP 16 Disclosure is first being provided to the Company's creditors as part of this report, further background information in respect of the Company can be found in the SIP 16 Disclosure at Appendix 9 and will not be repeated in the body of this report.

3. Events Leading up to the Administration

- 3.1 As above, creditors should refer to the SIP 16 Disclosure at Appendix 10 of this report for further information in respect of the events leading up to the Administration.
- 3.2 Duff & Phelps first became involved with the Company on 17 January 2019 with a formal engagement being agreed on 23 January 2019. The extent of Duff & Phelps' involvement with the Company from that time onwards was to provide professional advice on the Company's financial position, which latterly included an assessment of the relevant options available to the Company, including an Administration appointment.
- 3.3 Duff & Phelps' role in the period leading up to the Administration was entirely in an advisory capacity and at no point did the firm assume management responsibility for the Company's affairs.
- 3.4 The Joint Administrators considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the Administration appointment.
- 3.5 After having considered various insolvency options, referred to in further detail at Appendix 10, it was considered that a pre-packaged Administration sale of the Company's business and assets was necessary to maximise the realisable value of the Company's assets and improve the outcome for the Company's creditors as a whole.
- 3.6 In this regard, Benjamin Wiles and Paul Williams were appointed as Joint Administrators on 6 February 2019 and completed the pre-packaged sale of the Company's business and assets to the RDM on the same date and to Prosper on 8 February 2019. Further details on the period leading up to the pre-packaged sale transactions, the transactions themselves, and, the related consideration associated with the sales are also detailed in the SIP 16 Disclosure, at Appendix 10.

4. Purpose of the Administration

- 4.1 The statutory purpose of the Administration is to achieve one of the following hierarchical objectives:
- Rescuing the company as a going concern, or
 - Achieving 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), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern, or via a CVA process. As noted in the SIP 16 Disclosure, at Appendix 10, the Company was marketed with the option of pursuing a solvent sale, however no offers were received for the Company as a whole
- 4.3 The Joint Administrators are pursuing the second objective as it is considered that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration for the following reasons:
- The pre-packaged sales have achieved value for the intangible assets of the Company, as well as in-situ values for the tangible assets of the Company, which the Joint Administrators believe would not have been possible in a liquidation scenario;
 - The pre-packaged sales have preserved the employment of 18 of the Company's staff, who would likely have otherwise been made redundant, thus reducing both preferential and non-preferential unsecured claims in relation to the employees of the Company, and
 - Book debt collections are anticipated to be enhanced by the continuity of business provided by the Purchasers.
- 4.4 Consequently, the transactions have enabled the statutory purpose to be attained.

5. Statement of Affairs

- 5.1 The Joint Administrators have requested a SOA from the Directors. To date, this has not been provided, however, the Directors are still within the deadline provided for the provision of the SOA.
- 5.2 In the absence of a SOA, the Joint Administrators have enclosed an estimated statement of financial position of the Company as at the Appointment Date, at Appendix 3.
- 5.3 Some creditor amounts shown may differ from the actual amounts owed. This does not affect the right of creditors to submit revised claims.

6. Progress of the Administration to Date

- 6.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed, are set out below.

At the Appointment Date, the Company operated four business divisions, as follows

- Agency;
- Events;
- Real Business and Business Advice; and
- Real Deals.

Sale of Real Deals and Events

- 6.2 As discussed above, Real Deals and Events and their related assets were sold to RDM by the Joint Administrators on 6 February 2019. Full details of the sale are contained in the SIP 16 Disclosure Report attached at Appendix 10. This report also satisfies the Joint Administrators' disclosure in accordance with SIP 13.
- 6.3 The Joint Administrators are satisfied that the sale to RDM represented the best price achievable for the Company's business and assets in the circumstances.

Trading Period and Sale of Real Business & Business Advice

- 6.4 As detailed in the SIP 16 Disclosure at Appendix 10, an indicative offer was received from Prosper for the Real Business, Business Advice and Agency divisions on 30 January 2019 which was subject to further due diligence.
- 6.5 A formal offer was received from Prosper on 7 February 2019, totalling £25,000, which included Real Business and Business Advice, but not the Agency division.
- 6.6 On the basis that the offer was acceptable in principal and Prosper had indicated that they would complete a sale in the short order, the Joint Administrators retained five staff in the Real Business and Business Advice sub-divisions in order to keep these functional whilst the sale was finalised. Prosper had identified that they wished to retain these staff and that they would transfer via TUPE upon completion of the sale.
- 6.7 The Joint Administrators liaised with the relevant staff following the Appointment Date to ensure that the Real Business and Business Advice divisions remained operational, albeit in a reduced capacity, prior to completion of the sale.
- 6.8 It was not envisaged that the remaining six staff relating to the Real Business and Business Advice would be required going forward, therefore, it was necessary to make these staff redundant on the Appointment Date.
- 6.9 The sale of the Real Business and Business Advice divisions and their related assets completed on 8 February 2019. Full details of the sale are contained in the SIP 16 Disclosure Report attached at Appendix 10. This report also satisfies the Joint Administrators' disclosure in accordance with SIP 13.
- 6.10 The Joint Administrators are satisfied that the sale to Prosper represented the best price achievable for the Company's business and assets in the circumstances.

Closure of Agency Business

- 6.11 As detailed above, no offers were received in relation to the Agency business.
- 6.12 As part of the Agency business, the Company had two principal publishing contracts, one of which was onerous and significantly loss making. The publications relating to both contracts had been partially completed by the Company and both were due to go to press in February. The Joint Administrators conducted an analysis of the costs to ascertain what would need to be charged to each customer in order to complete the WIP.
- 6.13 Shortly prior to the Appointment Date, on 5 February, the Joint Administrators contacted the two key customers and advised each party of the relevant costs, to ascertain whether they would be supportive of the Company completing the publications during the Administration. Both customers indicated that they did not wish to proceed on this basis.
- 6.14 As a result, it was necessary for the Joint Administrators to make a total of nine staff, who worked in the Agency division, redundant on the Appointment Date. The division has been closed.

Closure of Shared Service Function

- 6.15 In addition, the Company had a further six staff who worked in the Company's shared service function, who were not transferred via TUPE to either RDM or Prosper.
- 6.16 The shared service staff were made redundant on the Appointment Date.
- 6.17 In total, 21 employees were made redundant following the Administration, and details of their expected preferential claims are provided below.

Residual Assets

Book debts

- 6.18 According to the Company's books and records the outstanding debts of the Company totalled £152,819 as at the Appointment Date and primarily comprised amounts owed by customers in respect of content advertising, relating to the Real Business & Business Advice divisions.
- 6.19 As part of the sale to RDM, it was agreed that RDM will provide reasonable assistance to the Joint Administrators with the collection of all the Company's book debts.
- 6.20 As at the date of this report £8,882 has been realised from the book debts ledger.

Cash at Bank

- 6.21 As at the Appointment Date, the Company had cash at bank of approximately £59,000. These funds are in the process of being transferred to the Administration estate.

7. Investigations

- 7.1 The Joint Administrators' investigations into the Company's affairs are currently ongoing
- 7.2 The Joint Administrators have a statutory obligation to file a report with BEIS regarding the conduct of all the Directors that held office within the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.
- 7.3 The Joint Administrators also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, under Section 238 of the Act,
 - Preferences, under Section 239 of the Act, and,
 - Transactions to defraud creditors, under Section 423 of the Act.
- 7.4 Should any creditor have any information which they consider may assist the investigations of the Joint Administrators, such information should be forwarded to Duff & Phelps

8. Liabilities and Dividends

Secured Creditor

- 8.1 The Company granted the Secured Creditor a debenture on 20 April 2017, which confers fixed and floating charges over all of the assets of the Company.
- 8.2 At this stage it is anticipated that there will be insufficient realisations to repay the Secured Creditor in full.

Preferential Creditors

- 8.3 Following the sale transactions with RDM and Prosper, 13 of the Company's employees were transferred pursuant to TUPE to RDM and five of the Company's employees were transferred to Prosper.
- 8.4 The Company's remaining 21 employees were made redundant on 6 February 2019.
- 8.5 The preferential claims in respect of these employees are estimated to be up to £16,800.

Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000.	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

- 8.6 The Company granted a floating charge to the Secured Creditor on 20 April 2017 and the Prescribed Part provisions will apply. The net property of the Company, according to the Joint Administrators' estimate of the financial position, is £237,880 and it is estimated that the value of the Prescribed Part for unsecured creditors is approximately £47,216. This does not take into account the costs of the Administration.

- 8.7 The Joint Administrators are of the opinion, based on the current information, that it is likely that a Prescribed Part dividend will be payable to non-preferential unsecured creditors.

Non-Preferential Unsecured Creditors

- 8.8 According to the Company's books and records, non-preferential unsecured creditors total £760,493. The non-preferential unsecured creditors can be summarised as follows.

Creditor	Claim	
Employees	£	63,000
Trade & Expense Creditors	£	760,493
Total	£	823,493

- 8.9 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company, other than from the Prescribed Part, if any.
- 8.10 Creditors of the Company should submit their claims via the creditors' Portal, if they have not already done so.

9. Statement of Pre-Administration Costs

- 9.1 Pre-Administration costs are fees charged, and expenses incurred, by the Joint Administrators or their firm, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but, with a view to it doing so.
- 9.2 This work was completed in order to sell the business and assets of the Company, via a pre-packaged sale, which has increased the return to the Secured Creditor and facilitated the TUPE transfer of a number of the Company's employees.
- 9.3 A breakdown of the pre-Administration time costs incurred by Duff & Phelps, totalling £37,404, is attached at Appendix 4 in accordance with SIP 9. No remuneration has been drawn to date with regard to these pre-Administration time costs.
- 9.4 In terms of external expenses, the Joint Administrators instructed the Agent on 23 January 2019 to undertake a valuation of the Company's assets for a fixed fee of £5,000 plus disbursements and VAT.
- 9.5 The Joint Administrators also instructed LB Group on 25 January 2019 to review the Company's tax position and provide advice in this regard, for a fixed fee of £3,000 plus VAT.
- 9.6 Furthermore, the Joint Administrators instructed Shoosmiths on 22 January 2019, who incurred pre-Administration time costs of £19,800 (exclusive of VAT) in relation to the provision of legal advice to the proposed Joint Administrators in relation to the preparation of the relevant appointment documentation, planning for the Company to be placed into Administration and preparing the sale documentation in relation to the RDM sale transaction.
- 9.7 The pre-Administration fees of the Agent and Shoosmiths remain unpaid at the date of this report.
- 9.8 In accordance with Rule 3.52 (3)(b)(ii) of the Rules, the requisite approval to draw the unpaid pre-Administration costs will be sought from the Secured Creditor and preferential creditors in due course.

- 9.9 The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 3.52 of the Rules, and not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.
- 9.10 Disclosure of the sums agreed to be paid will be made to creditors in the Joint Administrators' first progress report.

10. Costs & Expenses

Estimated Fees and Expenses

Fees

- 10.1 It is proposed that the Joint Administrators' fee basis is based on time costs properly incurred by the Joint Administrators and their staff.
- 10.2 The time costs already incurred for the period from the date of appointment up to and including 8 February 2019, total £10,922, and are analysed at Appendix 4. Time is charged in six minute units.
- 10.3 The Joint Administrators' fees will be agreed by the Secured Creditor and preferential creditors
- 10.4 The amount expected to be drawn in fees by the Joint Administrators over the life of the case, assuming it is closed by 5 February 2020, is £64,880, as shown at Appendix 5. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.

Expenses

- 10.5 The Administrators estimate the expenses of the Administration to total approximately £27,010, as shown in Appendix 7. This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Joint Administrators' progress reports.
- 10.6 Also attached at Appendix 6 is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report
- 10.7 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8.

11. Joint Administrators' Receipts and Payments Account

- 11.1 A Receipts and Payments account is provided at Appendix 2 and is self-explanatory.

12. EC Regulation

- 12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

13. Deemed Approval

- 13.1 A creditors decision on the approval of these proposals will not be sought as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential unsecured creditors, other than the Prescribed Part, if any.
- 13.2 The Joint Administrators' proposals will be deemed approved by the creditors unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors
- 13.3 The decision date at which point the Joint Administrators' proposals will be deemed approved, in the absence of any objections, will be 11.59pm on 27 February 2019
- 13.4 Further information is provided on Appendix 8, Statement of Creditors' Rights.

14. End of Administration

- 14.1 The options available to the Joint Administrators for the exit from the Administration are as follows:
- Dissolution of Company
 - Compulsory Liquidation
 - CVL
 - Company Voluntary Arrangement
 - Return of control to the Directors
- 14.2 The Joint Administrators recommend that the Company should be dissolved, for the reasons set out below.
- 14.3 The Joint Administrators have formed the view that, once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential unsecured creditors, other than from the Prescribed Part, if any.
- 14.4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to the Act to the effect that the Company has no remaining property to realise which might permit a (further) distribution to its non-preferential unsecured creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.
- 14.5 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

15. Joint Administrators' Proposals

- 15.1 The decision date at which point the Joint Administrators' proposals will be deemed to be approved, in the absence of any of any objections, will be 11.59pm on 27 February 2019.
- 15.2 In summary, the Joint Administrators propose the following:

- 15.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
 - 15.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration.
 - 15.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease
 - 15.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential unsecured creditors (other than via the Prescribed Part), take the necessary steps to put the Company into either CVL or into Compulsory Liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Benjamin Wiles and Paul Williams of Duff & Phelps would act as Joint Liquidators should the Company be placed into CVL. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules, creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.
- 15.3 The Joint Administrators will be seeking specific agreement to the following proposals from the Secured Creditor:
- 15.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
 - 15.3.2 That the Joint Administrators' remuneration, where a Creditors' Committee is not established, be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
 - 15.3.3 That, where a Creditors' Committee is not established, the Joint Administrators' Fee Estimate in the total sum of £64,880 is approved.
 - 15.3.4 That the Joint Administrators, where a Creditors' Committee is not established, be authorised to draw their Category 2 Disbursements.
 - 15.3.5 That, where a Creditors' Committee is not established, the unpaid Pre Administration Costs totalling £65,204 plus VAT, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administration.

16. Other Matters

If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.

If you require further information or assistance, please do not hesitate to contact Toby Osborne via Toby.Osborne@DuffandPhelps.com or 0207 089 4837.



Benjamin Wiles
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Benjamin Wiles and Paul Williams, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	12 February 1996
Registered Number	03157774
Company Director(s)	Sarah Woollett Steven Randell
Company Secretary	Sarah Woollett
Shareholders	CM Harbour Limited (100%)
Trading Address	Caspian Media c/o WeWork 70 Wilson Street London EC2A 2DB
Registered Office	Current: The Shard 32 London Bridge Street London SE1 9SG Former: Caspian Media c/o WeWork 70 Wilson Street London EC2A 2DB

Financial Information

Balance Sheet

	For the 6 months Ended 31-Dec-18 (Management) (£)	For the Year Ended 30-Jun-18 (Management) (£)	For the Year Ended 30-Jun-17 (Audited) (£)
Fixed Assets			
Intangible Assets	35,021	24,425	4
Property, Plant & Equipment	16,612	16,700	59,016
	<u>51,633</u>	<u>41,125</u>	<u>59,020</u>
Current Assets			
Inventories	-	1,592	3,508
Book Debts	429,334	559,111	847,683
Cash at Bank	28,347	159,930	395,186
	<u>457,681</u>	<u>720,633</u>	<u>1,246,377</u>
Liabilities			
Creditors	(1,909,562)	(1,959,186)	(2,060,977)
Provisions	-	-	(64,000)
	<u>(1,909,562)</u>	<u>(1,959,186)</u>	<u>(2,060,977)</u>
Net Assets/(Liabilities)	<u>(1,400,248)</u>	<u>(1,197,428)</u>	<u>(819,580)</u>
Capital & Reserves			
Share Capital	131,756	131,756	131,756
Share Premium	410,338	410,338	410,338
Retained Earnings	(1,942,342)	(1,739,522)	(1,361,674)
	<u>(1,400,248)</u>	<u>(1,197,428)</u>	<u>(819,580)</u>

Profit and Loss

	For the 6 months Ended 31-Dec-18 (Management) (£)	For the Year Ended 30-Jun-18 (Management) (£)	For the Year Ended 30-Jun-17 (Audited) (£)
Turnover	126,999	236,339	5,400,206
Cost of Sales	(155,939)	(184,490)	(2,060,128)
Gross Profit	(28,940)	51,849	3,340,078
Overheads			
Administrative Expenses	(125,767)	(119,597)	(2,980,834)
Operating Profit/(Loss)	(154,707)	(67,748)	359,244
Intercompany loan waiver	-	-	(1,977,262)
EBITDA	(154,707)	(67,748)	(1,618,018)
Interest	(2,805)	(89)	(880)
Tax	-	-	(46,026)
Depreciation	(2,743)	(3,715)	(49,482)
Exceptional Items	-	(8,000)	-
Retained Profit/(Loss) for the Year	(160,255)	(79,552)	(1,714,406)

Notes

The Administrative Expenses have been adjusted to show depreciation as a separate entry, in accordance with the Company's management accounts

Appendix 2

Receipts and Payments Account

Caspian Media Limited (In Administration)

Joint Administrators Receipts and Payments Account as at 13 February 2019

For the Reporting Period
06 February 2019
to 13 February 2019

Estimated Statement of Financial Position Estimated to Realise Value	Notes	
Assets subject to Fixed Charge		
£	Receipts	£
2,001	Goodwill	2,001 00
662,995	Intellectual Property Rights	662,995 00
Nil	Investments	Nil
664,996		664,996.00
Secured Creditors		
	Distribution to RC Caspian LLP	(647,000 00)
		(647,000.00)
Balance of the Estate		17,996.00
Assets subject to Floating Charge		
	Receipts	£
60,620	Cash at Bank	54,038 63
2	Company Records	2 00
2	Customer Contracts and Customer Deposits	2 00
5,001	Databases	5,001 00
26,996	Equipment & IT	26,996 00
N/A	Funds due to Real Deals Media Limited	34,421 29
2	Prepayments and Supplier Contracts	2 00
1	Royalty Payments	1 00
122,256	Trade Debtors	8,882 25
23,000	Work in Progress	23,000 00
177,260		98,307 54
Secured Creditors		
	Distribution to RC Caspian LLP	(26,000 00)
		(26,000.00)
Balance of the Estate		72,307 54
Made up as Follows		
	Fixed Charge Account	17,996 00
	Floating Charge Account	72,307 54
		90,303 54

Notes

As a result of the sale to RDM being on a credit bid basis, less than 100% of the sale proceeds were paid to the Joint Administrators in cash. The receipts and payments account reflects both the cash and the non-cash receipts. The receipts and payments account should be read in conjunction with the Joint Administrators' Proposals, of which this Appendix forms a part.

- £2,000 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- £645,000 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- Sums of £647,000 and £26,000 were distributed to RC Caspian LLP on the Appointment Date in lieu of the balance owed under its security.
- £1 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- £5,000 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- £22,996 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- This sum represents monies received into the Administration estate in relation to Work in Progress debtors sold to RDM on the Appointment Date. This sum will be passed across to RDM in due course.
- £20,000 of the figure displayed is a non-cash realisation from the sale to RDM. The balance was received in cash from the sale to Prosper.
- The entirety of the figure displayed in the Fixed Charge bank account is currently held with Shoosmiths and is in the process of being transferred to the Administration estate.
- £29,004 of the figure displayed in the Floating Charge bank account is currently held with Shoosmiths and is in the process of being transferred to the Administration estate.

Appendix 3

Schedule of Creditors and Estimated Statement of Financial Position

Caspian Media Limited (In Administration)

Estimated Statement of Financial Position as at the Appointment Date

	Notes	Book Value	Estimated to Realise
		(£)	(£)
ASSETS			
Assets Subject to a Fixed Charge			
Goodwill	2	Nil	2,001
Intellectual Property	2	35,017	662,995
Investments		4	Nil
Fixed Charge Surplus / (Shortfall) to RC Caspian LLP		35,021	664,996
Estimated Indebtedness to R C Caspian LLP	3	(1,599,616)	(1,599,616)
Fixed Charge Surplus / (Shortfall) to RC Caspian LLP		(1,564,595)	(934,620)
Assets Subject to Floating Charge			
Accrued Income		567	Nil
Cash at Bank (as at 07/02/19)		60,620	60,620
Company Records	2	Nil	2
Customer Contracts and Customer Deposits	2	Nil	2
Databases	2	Nil	5,001
Deferred Tax Asset		140,000	Nil
Equipment & IT	2	16,612	26,996
Prepayments and Supplier Contracts	4	165,577	2
Royalty Payments	2	Nil	1
Trade Debtors (as at 07/02/19)	5	152,819	122,256
Work in Progress (as at 07/02/19)	6	203,477	23,000
TOTAL		739,672	237,880
LIABILITIES			
Preferential Creditors (estimated)	7		(16,800)
Estimated Surplus / (Shortfall) to Preferential Creditors			221,080
Estimated Prescribed Part of Net Property	8		(47,216)
Estimated Funds available to Floating Charge Holders			173,864
Estimated Indebtedness to RC Caspian LLP C/D	3		(934,620)
Estimated Floating Charge Surplus / (Shortfall) to RC Caspian LLP			(760,756)
Estimated Total Assets available for Non-Preferential Unsecured Creditors (excluding the Prescribed Part)			0
Prescribed Part B/D			47,216
Less			
- Employees (estimated)	7	Nil	(63,000)
- Trade and other Creditors (as at 30/01/19)		(760,493)	(760,493)
Total Non-Preferential Unsecured Claims			(823,493)
Estimated Surplus / (Deficiency) as regards Non-Preferential Unsecured Creditors			(776,277)

Notes

1. ANY ESTIMATED FUNDS REALISED ARE SUBJECT TO THE COSTS OF THE ADMINISTRATION, SUCH AS AGENTS' FEES, JOINT ADMINISTRATORS' REMUNERATION AND OTHER PROFESSIONAL FEES. Book values are displayed per the management accounts of the Company as at 31 December 2018 unless otherwise stated.

2. The estimate to realise values include the sale proceeds from the transactions with Prosper and RDM. No further realisations are expected in these categories.

3. RC Caspian LLP provided the Company's parent company CMH, with a loan for a principal sum of £1.26m subject to accruing interest and charges. At the Appointment Date, the indebtedness to RC Caspian is estimated at £1.6m.

4. Following an analysis undertaken by the Joint Administrators, no further realisations are currently expected in relation to prepayments, which comprise venue deposits, rent deposits and other accounting entries related to services committed to, but not necessarily paid in advance.

5. The book value of the trade debtors balance is included as at the date the Company entered Administration. An 80% recovery on book debts has been assumed for the purposes of the statement of financial position.

6. Work in progress comprises debtor balances due to the Company for work not yet performed, such as future events and annual subscriptions. This benefit of this work in progress was sold to RDM on the Appointment Date as part of the pre-packaged sale transaction. RDM have also inherited the burden of delivering on these future services as part of the sale agreement. The counter-balance to this, therefore, is that any deferred income liability associated with these services (estimated at £834k) has, in turn, been extinguished, reducing deferred income creditors by the same sum.

7. 21 employees were made redundant on the Appointment Date. An assumption of a preferential claim of £800 per employee and a non-preferential unsecured claim of £3,000 per employee has been estimated for the benefit of this statement. These numbers will be crystallised following the receipt of claims.

Caspian Media Limited (In Administration)

Creditor Schedule

Preferential Creditors

Name
Employees
Stat Total

Address 1

Address 2

Address 3

Address 4

Address 5

Amount
16,800.00
16,800.00

Non-Preferential Unsecured Creditors

Name
A W Jones
ABC
Active Air
Adelsiz Ltd
Aidin Limited
Ae Business Ltd
Amara Malik
Amy Carroll
Ant Marketing Limited
Armstrong Lloyd Ltd
Aurelia UK Limited
Aspre
Baldrycard Commercial
Benthamite Conference & Exhibition Consultants
BHR Group Europe Ltd
Brendan Scott
Candice Life
Catherine Swan
CBI
CCM Facilities Limited
Charned Insurance of
Charles Harbour
Cason Group Limited
CitySpent UK Limited
Classified Central Media Ltd
Clear Central Media
Clear Premium Finance
Code Security Systems Limited
Commercial & Domestic Investigations
Creative Design London
Danel Cruise
David J Crink
David Jones
EESon Business Services
Eventsforce Solutions Ltd
Exhibitors Stande
Exponexco Ltd
Exponexco Limited
Foster Presentations Ltd
Fog Wip Limited
Gcity Images (UK) Ltd
Global Conference Network
Goodman Mason
Guy Fraser-Simpson
HM Revenue & Customs
Halconet Design Limited
I-4 Business ENTERA Ltd
Image Creative Design
Inspiring Interiors
Intays Ltd Ltd

Address 1

Address 2

Address 3

Address 4

Address 5

Amount
1,265.00
2,908.40
918.00
7,866.00
0.00
16,416.00
3,846.00
2,000.00
1,500.00
4,948.14
4,068.60
7,263.00
9,148.89
8,000.00
361.40
5,250.00
1,654.35
600.00
10,248.60
5,465.28
6,408.68
172,703.19
1,200.00
269.41
19,072.90
15,746.40
1,969.98
192.00
210.00
4,320.00
7,540.00
1,596.00
540.00
7,684.77
8,554.50
1,650.00
14,314.42
7,412.04
3,442.90
7,668.40
1,875.00
714.00
9,000.00
1,000.00
0.00
200.00
1,000.00
708.00
0.00
3,990.00

Non-Preferential Unsecured Creditors (continued)

Name	Address 1	Address 2	Address 3	Address 4	Address 5	Amount
Investor Asset Finance	Reading In Business Park		Berkshire		RQ2 6AA	1,431.16
John Kenning	50 Richmond Road	Southampton	Hampshire		SO15 1NR	1,108.44
Jenna Sang	27 Headingham Close					80.00
Jigaw Systems Ltd	The Oak Mill	40 High Church Street	Nottingham		NG7 7JA	29,769.70
John Barnes	7 Glen Kruil	5 Beckenham Lane	Bromley		BR2 8DA	450.00
John Denoble	19 Century Road	London			E17 6JA	700.00
Kath Ray	Burghs	Walthamstow Lane		Surrey	K120 8HU	14,934.00
Kingwood	Walthamstow Lane		Bucks		SL7 1QL	960.00
Loganwood Steels United	49 Clifton Street	London			EC2A 4EX	1.1%
Logical Managed Print	17a Macaulay St	London			NI 7TB	3,317.56
London Borough of Havering	and Fulham	PO Box 1451	London		W6 8LU	38,953.62
Media and Data Services Ltd	22A Theobald's Road	London			WC1X 8TF	7,560.00
Media Contacts	The Windsor Centre	Winchester Street	Islington		NI 8QG	8,400.00
Mentor Services (RBS)	250 St Vincent Street	Gloucester			G2 5SH	5,460.00
Michael Gray	9 Garden Green	Haywards Heath	West Sussex		RH16 1RB	900.00
Mitch UK Ltd	Unit 12 Slaney Industrial Centre	Slough Way	Berkshire		WOK 2BT	0.00
Most Honesty UK Ltd	18 Goswami Gardens	London			SW1W 0DH	4,715.04
Nail Hodge	6 Shilling Way	Long Eaton	Nottingham		NG10 3DN	1,296.00
Nicholas Hunter	Unit 3	Outbridge Court	Cheray Mead	Oxford	OX2 0ES	84.00
Nick Dunn	20 Guilford Road	Turberville Wells	Kent		TN1 1SW	1,940.00
OfficeBASE Ltd (a Rodbox	Unit E3	Breaklands Close	Southbury on Thames		TM16 7EB	2,240.00
Onshore Office Solutions Ltd	Lumbe Business Park	Tullurkew Hill Road	South Godalming		RH9 8JJ	245.67
On-Site	Sutton AB	N Gubbenquain 30	Salisbury Wiltshire	Surrey	2/9 11	2/9 11
Oil Pressors	3 Salthouse Court	19 High Street	Essex		CB10 1AT	63.70
Panjour Customer	Communications (London) Ltd	Evenden House 12 Chiswick Rd	Essex		RM8 8BF	2,272.88
Professional Publishers Association	Jubilee House	92 Lincoln Road	Essex		PE1 2SN	1,475.40
Reach Publishing Services Ltd	PO Box 2000	Liverpool	Pitchborough			1,896.43
Reckandary Payments Service	P O Box 16885	Manchester	BRM1NGHAM		B2 2LX	0.00
Renascence Manchester Hotel	Blackfriars Street	Toulon			M3 2EQ	1,991.25
Richard Glad	26 Monroe Road	London			SW17 8DL	2,180.00
Ridgeway Capital LLP	Liberty House	772 Regent Street	London		W1B 5TR	36,158.10
Royal Asia Ltd	100 Victoria Embankment	London			EC4Y 0HQ	546.00
Sage Pay	3rd Floor	The Angel Building	London		EC1V 4AB	12.40
Sofical Ltd	Thames Industrial Estate	Freddinice Lane	Bucks		SL7 1TB	4,939.32
Speakers Corner United	Unit 31, Highbury Studios	101 Torrey Street	London		NI 8EL	4,995.00
Special FX Ltd	Etcham Park	Stratford upon Avon			CV37 8BT	1,218.00
Stephens & George Print Group	Geet Mill Road	Dowles	Merthyr Tydfil		CF84 3TD	22,842.59
Summer Design						0.00
Star a File Limited	Unit 5, Wainip Road Ind Estate	Syston	Leicestershire		LE17 1PD	812.89
Talent Creative & Media Ltd	2nd Floor	1 West Stratfield	London		EC1A 9AU	10,800.00
TDSOTT Limited	Josels Chiswickmorgs	Phaland				2,350.00
Ted Pringle Photography Ltd	The Old Mill	Blancheth Hill Farm	Blancheth		NW7 3DB	420.00
The Institute of Marine Engineering Science and Technology	1 Bishops Walk	London			SW1H 4JJ	0.00
The Mailing Room Ltd	Southern 7	Wairford Business Park	Cheshire Merseyside		B19 7BR	846.07
Eye Catcher	Top Lodge	Celtic Park	Wrexham		LL11 1FT	0.00
Trafalrich Limited	5 Wardsour St	London			W1D 6PD	3,644.00
Treasure Recruitment Ltd	53 Kempe Road	Quins Park	London		NW6 6SN	232.00
Valuable Recruitment	3 Harrow Square	Mayfair	London		W1S 1HD	744.69
Vicky Meek	32 Upper Telford Park	Stroud Green	London		N4 3ET	486.00
Visual Response Ltd	Wick's Rents Studio	20-30 White's Road	London		SE1 4QG	4,545.60
Viva Vegas Entertainment	1444 Old South Lambeth Road	London			SW8 1XX	1,290.00
Walter Handley (Printers) Ltd	Grangeview House	Grangeview Street	East Ham		EA6 1EZ	761.00
We Work Limited	#N/A	London			EC2A 2DB	8,640.38
West Pier Telecom Ltd	2 Woodgreen Business Park	Sea View Way	BNG2 8NX			1,911.76
Williams Kennedy LLP	Bridge House	London Bridge	London		SE1 9QR	13,500.00
Woolbrook's China Ltd	Unit 9	Suttons Park Avenue	Berkshire		RQ6 1AZ	9,554.44
WUDU Limited	Pennrose Studios	Pennrose Road	Leaves		BB7 1BT	422.49
Zemps Limited	Ortel House	30 Bedford Street	London		WC2E 9ED	1,800.00
Employees						63,000.00
Sub-Total						823,495.91
Total						840,292.95

Appendix 4

Analysis of Time Charged and Expenses Incurred

Caspian Media Limited (In Administration)**Analysis of the Joint Administrators' time costs for the Pre-Appointment Period**

	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Cashiering & Accounting	0.00	0.00	0.00	0.40	0.00	0.40	48.00	120.00
Dealing with Notice of intention to Appoint	0.00	1.20	0.00	0.00	0.00	1.20	576.00	480.00
Dealings with Directors and Management	0.00	8.30	0.00	0.00	0.00	8.30	3,984.00	480.00
IPS Set up & Maintenance	0.00	0.60	0.00	0.50	0.00	1.10	352.50	329.55
Strategy Planning & Control	2.00	11.70	0.00	9.10	0.00	22.80	9,213.00	404.08
Tax Compliance / Planning	0.00	3.60	0.00	0.00	0.00	3.60	1,728.00	480.00
Creditors								
Communications with Creditors / Employees	0.00	0.00	0.00	0.10	0.00	0.10	12.00	120.00
Non Pref Creditors / Employee Claims Handling	0.00	0.00	0.00	0.10	0.00	0.10	12.00	120.00
Secured Creditors	0.00	7.90	0.00	0.00	0.00	7.90	3,792.00	480.00
Realisation of Assets								
Book Debts	0.00	1.30	0.00	0.00	0.00	1.30	624.00	480.00
Goodwill and Intellectual Property Rights	0.00	1.10	0.00	0.00	0.00	1.10	528.00	480.00
Sale of Business	0.00	26.40	0.00	10.10	0.00	36.50	15,276.00	418.52
Total Hours	2.00	62.10	0.00	20.30	0.00	84.40		443.17
Total Fees Claimed (£)	1,200.00	31,056.00	0.00	5,147.50	0.00		37,403.50	

Category of Disbursement £**Category 1 Disbursements**

Travel	9.60
Sundry	10.00
Total	19.60

Category 2 Disbursements

There are no Category 2 Disbursements

Caspian Media Limited (In Administration)

Analysis of the Joint Administrators' time costs for the period from 6 February 2019 to 8 February 2019

	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review & Case Diary Management	0 00	0 00	0 00	0 30	0 00	0 30	79 50	265 00
Cashiering & Accounting	0 00	0 00	0 00	0 80	0 20	1 00	236 00	236 00
Dealings with Directors & Management	0 00	0 70	0 00	0 00	0 70	1 40	420 00	300 00
IPS Setup & Maintenance	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Statutory Matters	0 00	0 40	0 00	2 90	2 70	6 00	1,284 50	214 08
Strategy Planning & Control	0 00	0 70	0 00	0 00	0 00	0 70	336 00	480 00
Statement of Affairs	0 00	0 00	0 00	0 00	0 30	0 30	36 00	120 00
Tax Compliance / Planning	0 00	0 00	0 00	0 00	0 60	0 60	72 00	120 00
Creditors								
Communications with Creditors / Employees	0 00	2 90	0 00	4 20	4 40	11 50	3 033 00	263 74
Non-Preferential Creditors Adjudication & Distribution	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Non-Preferential Creditors / Employees Claim Handling	0 00	0 00	0 00	0 20	0 70	0 90	137 00	152 22
Preferential Claims Adjudication & Distribution	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Secured Creditors	0 00	0 60	0 00	0 00	0 00	0 60	288 00	480 00
Investigations								
Financial Review & Investigations (S238/239 etc)	0 00	0 00	0 00	0 00	0 30	0 30	36 00	120 00
Realisation of Assets								
Book Debts	0 00	0 40	0 00	0 00	0 00	0 40	192 00	480 00
Goodwill and Intellectual Property Rights	0 00	0 10	0 00	0 70	0 00	0 80	233 50	291 88
Insurance	0 00	0 00	0 00	0 30	1 00	1 30	199 50	153 46
Other Tangible Assets	0 00	0 00	0 00	1 40	3 00	4 40	731 00	166 14
Sale of Business	0 00	5 70	0 00	3 20	0 20	9 10	3,608 00	396 48
Total Hours	0 00	11 50	0 00	14 00	14 10	39 60		275 81
Total Fees Claimed (£)	0 00	5,520 00	0 00	3,710 00	1,692 00		10,922 00	

Category of Disbursement

Category 1 Disbursements

Travel	14 40
Total	14 40

Category 2 Disbursements

There are no Category 2 Disbursements

Appendix 5

Fee Estimate

Caspian Media Limited (In Administration)**Fee Estimate for the Administration**

	Notes	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning				
Case Review & Case Diary Management		7 50	2,317 50	309 00
Cashiering & Accounting		12 50	2,620 00	209 60
Dealings with Directors & Management		3 50	1,105 00	315 71
IPS Setup & Maintenance		2 00	745 00	372 50
Statutory Matters		40 00	12,690 00	317 25
Strategy, Planning & Control		14 00	5,645 00	403 21
Statement of Affairs		2 50	625 00	250 00
Tax Compliance / Planning		12 00	4,635 00	386 25
	1	94.00	30,382.50	323.22
Creditors				
Communications with Creditors / Employees		23 50	4,267 50	181 60
Non-Preferential Creditors Adjudication & Distribution		15 00	4,325 00	288 33
Non-Preferential Creditors / Employees Claim Handling		9 50	1,430 00	150 53
Preferential Claims Adjudication & Distribution		7 50	1,767 50	235 67
Secured Creditors		6 00	2,570 00	428 33
	2	61.50	14,360.00	233.50
Investigations				
Financial Review & Investigations (S238/239 etc)		29 50	7,387 50	250 42
	3	29.50	7,387.50	250.42
Realisation of Assets				
Book Debts		15 00	3,425 00	228 33
Goodwill and Intellectual Property Rights		3 00	1,010 00	336 67
Insurance		2 50	625 00	250 00
Other Tangible Assets		5 50	1,742 50	316 82
Sale of Business		17 50	5,947 50	339 86
	4	43.50	12,750.00	293.10
Total Hours:		228.50		283.94
Total Fees Claimed (£):			64,880.00	

Notes

- 1 The average hourly rate for Administration & Planning is expected to be above the case average due to the need for senior staff involvement to ensure statutory compliance
- 2 The average hourly rate for Creditors is expected to be below the case average due to junior staff being capable of completing the majority of the work
- 3 The average hourly rate for Investigations is expected to be below the case average due to junior staff being capable of completing the majority of the work
- 4 The average hourly rate for Realisation of Assets is estimated to be slightly above the case average due to the requirement for senior staff to deal with the sale of business process

Appendix 6

Fees Narrative

Caspian Media Limited (In Administration) ("the Company")

Benjamin Wiles and Paul Williams were appointed Joint Administrators of the Company on 6 February 2019.

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Statement of Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

Estimated Fees and Expenses

The Joint Administrators propose that their fees be based on Duff & Phelps' time costs.

The ability for the Joint Administrators to draw fees is dependent on asset realisations and the authority of creditors. Creditors are asked to approve the basis of the fees and the Fee Estimate, which effectively acts as a cap on the fees that can be drawn (subject to the Joint Administrators' ability to seek an increase in the approved amount from creditors if appropriate).

The amount expected to be incurred in time costs by the Joint Administrators over the life of the Administration, assuming it is closed by the automatic end date on 5 February 2020, is detailed at Appendix 5 - Fee Estimate. However, this does not include the further time costs of any subsequent Liquidation of the Company. The Company will only be placed into Liquidation if there are funds available to distribute to creditors other than by virtue of the Prescribed Part, which is not currently anticipated.

Appendix 7 illustrates the estimated expenses for the whole of the Administration and is for information purposes (and does not require approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Joint Administrators' progress reports.

It should be noted that these expenses will only be paid if realisations allow sufficient funds to do so.

Strategy

Administration & Planning

The role of a Joint Administrator is highly regulated, being required to conform to insolvency legislation, industry best practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, the Joint Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors.

In addition, throughout the course of the Administration, the Joint Administrators will regularly review the strategy and complete case reviews at week one, after three months, and every six months thereafter. These activities do not necessarily provide a direct financial benefit to creditors, however, these are necessary to ensure that the Administration runs efficiently.

The Joint Administrators time costs to 8 February 2019

in respect of Administration and Planning total £2,464 and have comprised the following tasks.

- Complying with anti-money laundering checks, bribery act and ethical checks.
- Advertising the Administration appointment and notifying all relevant stakeholders.
- Setting up the Administration on our internal systems and on the creditors' portal website.
- Companies House and Court filings.
- Calculating and obtaining the insolvency practitioners bond.
- Undertaking treasury functions in respect of receipts and payments of the Administration to date.
- Arranging insurance of the Company's assets.
- Internal strategic discussions and meetings.
- Instructing a solicitor to prepare a report on the validity of the Joint Administrators' appointment.
- Preparing the Joint Administrators' Proposals and SIP 16 Disclosure reports to creditors.

Total time costs estimated to be incurred for Administration & Planning, total £30,383, including the costs incurred to date. Future time costs are estimated to include the following future tasks

- Performing periodic and strategic case reviews at the intervals discussed above.
- Filing notices with Companies House at relevant intervals.
- Dealing with tax compliance and returns.
- Preparing progress reports to all creditors of the Company every 6 months.
- Preparing a final report to all creditors of the Company.
- Internal strategic discussions and meetings.
- Corresponding with the Company's pre-appointment accountants in respect of tax compliance.

Creditors & Employees

The Joint Administrators and case staff will liaise with non-preferential unsecured creditors and assist them with submitting their claims in the Administration. The Joint Administrators then adjudicate on all submitted claims to agree or reject the claims (in part or in full), should it be considered that there are sufficient asset realisations to enable a dividend to non-preferential unsecured creditors.

To date the Joint Administrators have incurred time costs of £3,458 to date in dealing with creditors and employees, which has comprised the following:

- Dealing with employee redundancies and issuing the relevant correspondence.
- Dealing with creditor correspondence, emails and telephone conversations regarding claims in the Administration.
- Maintaining up to date creditor information and claims status on the case management system.
- Maintaining the creditors' portal website

Going forward, the Joint Administrators will continue dealing with creditors as above, as and when queries and claims are presented, including dealing with any claims for retention of title. Total time costs in respect of creditors and employees are estimated to be £14,360. and are expected to comprise the following future tasks, in addition to those above.

- Preparing the RP14 and RP14a in respect of redundancy claims and liaising with the RPS.
- Arranging and distributing the P45s and any other required documentation for those employees who were made redundant.
- Making the relevant arrangements with the Company's pension scheme provider.
- Preparing the RP15 in respect of any pension scheme arrears and liaising with the RPS.
- Adjudicating and agreeing creditor claims, in the event a dividend will be payable.
- Dealing with any claims brought in respect of retention of title.
- Distributing dividends to creditors, in the event a dividend will be payable.

Investigations

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their fitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors' Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Liquidation estate.

The Joint Administrators time costs to 8 February 2019 in respect of Investigations total £36 and have comprised the following tasks

- Writing to the Company's bankers to request historic bank statements for the Company; and,
- Seeking the completion of a questionnaire by the Directors.

The Joint Administrators estimate total time costs of £7,388 in dealing with the investigations, including the time already incurred. This process will include the following future tasks:

- Securing the Company's books and records and taking a back-up of the Company's accounting system.
- Investigation of any potential claims with regard to antecedent transactions.
- Land Registry and Companies House searches.
- Logging and reviewing creditor complaints and concerns regarding the Directors' conduct.
- Internet and social media searches.
- Statutory reporting requirements to the Secretary of State in respect of directors' conduct and any resulting correspondence with the BEIS

The above time estimate assumes that more detailed investigations are not required. In the event, however, that more detailed work is required, the time costs involved are expected to be higher. In the event of this, the Joint Administrators will advise creditors in future progress reports.

Sale of Business & Realisation of Assets

The fundamental duty of an Administrator is that of the recovery and realisation of the assets, the Joint Administrators' powers are designed to ensure the effective discharge of this duty. The Joint Administrators must recover the assets of the company for the benefit of the creditors and ultimately the members, and must realise the same to affect the best possible distribution.

The Joint Administrators actions and ongoing strategy in respect of the Company's assets is detailed below. The Joint Administrators have incurred total time costs of £4,964 to date, in dealing with the realisation of Company assets. This included the following.

- Finalising the sale of the business and assets of Real Deals and Events to RDM, shortly following the Administration appointment.
- Negotiating and finalising the sale of the business and assets of Real Business and Business Advice to Prosper.
- Liaising with RDM in respect of book debt realisations.

The Joint Administrators estimate total time costs of £12,750 in dealing with asset realisations, including the time already incurred in this regard. This is estimated to include incorporate the following future key tasks.

- Monitoring the book debt collections and liaising with RDM in respect of these
- Collecting the balances in the Company's pre-appointment bank accounts
- Making a VAT bad debt relief claim, if applicable.
- Investigating and realising, where possible, any prepayments made by the Company.
- Dealing with any issues that arise from the sale transactions from a legal and operational perspective.

Appendix 7

Estimated Expenses of the Administration

Joint Administrators' Estimated Expenses for the Administration

3,521 48	Nil	27,010 00
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Appendix 8

Statement of Creditors' Rights

STATEMENT OF CREDITORS' RIGHTS

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)
Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Toby Osborne via
Toby.Osborne@DuffandPhelps.com
This notice is accompanied by the Joint Administrators' Statement of Proposals.

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at.

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrator's statement of proposals is delivered. The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting creditor of the deposit sum.

Appendix 9

Proof of Debt Form

PROOF OF DEBT - GENERAL FORM

<p align="center">Caspian Media Limited – In Administration Company Number: 03157774</p>		
<p align="center">Date of Administration: 6 February 2019</p>		
1	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	REF
2	Address of Creditor for correspondence	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator

Appendix 10

Disclosure in Accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administrations"

SIP 16 Report to Creditors

13 February 2018

Caspian Media Limited
(In Administration)

Joint Administrators' report on the pre-packaged sale of part of the
business and certain assets of the Company

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Agency	A contract publishing division of the Company
the Agent	SIA Group UK (London) Limited of 107 Cheapside, London, EC2V 6DN, independent agents who were instructed to value the assets of the Company
the Appointment Date	6 February 2019, being the date of appointment of the Joint Administrators
Business Advice	A content marketing division of the Company targeted at the micro-business sector
CMH	CM Harbour Limited (Company Number 10699867), the Company's immediate and ultimate parent company
the Company	Caspian Media Limited (In Administration) (Company Number: 03157774)
the Directors	Sarah Woollett and Steven Randell, the directors of the Company at the Appointment Date
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Events	A division of the Company which operated conferencing and awards related events
HMRC	HM Revenue and Customs
IPR	Intellectual Property Rights
the Joint Administrators	Benjamin John Wiles and Paul David Williams of Duff & Phelps Ltd The Shard, 32 London Bridge Street, London, SE1 9SG
MBO	Management Buy-Out
NDA	Non-Disclosure Agreement
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Prosper	Prosper (Media) Limited (Company Number 11807272), the purchaser of the Real Business and Business Advice divisions of the Company
the Purchasers	RDM and Prosper
Real Business	A content marketing division of the Company targeted at SMEs

Real Deals	A content marketing and publishing division of the Company targeted at the Private Equity sector
RPS	Redundancy Payments Service
RDM	Real Deals Media Limited (Company Number 06859732), the purchaser of the Real Deals and Events divisions of the Company
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	RC Caspian LLP, the holder of fixed and floating charge security over the Company's assets
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by connected parties
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SMEs	Small and Medium Enterprises
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

Caspian Media Limited (in Administration) ("the Company")

Joint Administrators' report on the pre-packaged sale of certain of the Company's business and assets

Outlined below are details of the following:

1. The sale of the business and assets of Real Deals and Events to Real Deals Media Limited, and
2. The sale of the business and assets of Real Business and Business Advice to Prosper (Media) Limited.

General explanatory points on pre-packaged sales

Creditors should be aware of the differing roles of an Insolvency Practitioner associated with an Administration that involves a pre-packaged sale of the Company's business and assets. Prior to the formal appointment, the Insolvency Practitioner will have been instructed by the Company and/or the Secured Creditor to provide advice although will act, at all times, independently of the Company's management who will remain responsible for the affairs of the Company. That advice will normally include consideration of potential insolvency exit strategies and to assist management in meeting their fiduciary duties and obligations when running the Company, with particular attention being paid to any proposed pre-packaged Administration sale scenario.

On formal appointment, the Joint Administrators, who are officers of the court and agents of the Company, manage the Company's affairs, business and property for the benefit of creditors as a whole.

Background information

The Company was incorporated in 1996 and operated in the media and marketing industry. During April 2017, the Company underwent a MBO process financed by the Secured Creditor. As part of the process, a new holding company was created (CMH) to hold the investment in the Company, with the Directors being given a minority shareholding in CMH as part of the transaction.

At the Appointment Date, the Company operated four business divisions, as follows:

- Agency,
- Events,
- Real Business and Business Advice; and
- Real Deals

Following the MBO, the Company suffered from a number of operational and financial issues, resulting in some divisions underperforming against budget. The primary reasons behind this underperformance were as follows.

- Agency lost a significant contract and was unable to renegotiate the terms of an onerous contract with a key customer, which caused the division to be significantly loss making;
- Business Advice lost its key event sponsor and was unable to generate the anticipated levels of advertisement sales as a result, and
- The commercial director left the Company and the Directors had difficulty finding the appropriate sales staff, particularly for the content marketing divisions

As a result of the trading underperformance, the Company began to experience cash flow issues and began suffering from increasing pressure from creditors due to being unable to meet debts as they fell due. Moreover, the Company required emergency funding from the Secured Creditor to meet the salaries at the end of January 2019

As a result of the above, the Company reached a position where it became in default of its facility with the Secured Creditor.

Initial introduction

Duff & Phelps' was initially approached by Michael Loizou of the Secured Creditor on 17 January 2019 who advised that the Company was in financial difficulty and was in default in respect of its loan facility. Duff & Phelps had no prior professional involvement with the Company prior to this introduction.

Duff & Phelps was subsequently introduced to the Company's management team on 22 January 2019 in order to advise the Company and review the restructuring options available in light of the Company's financial position.

In view of the Company's deteriorating cash position, and mounting pressure from trade creditors, it was agreed that an accelerated sale process for the business and assets of the Company would be commenced, and Duff & Phelps were formally engaged by the Company in this regard on 23 January 2019.

Pre-appointment considerations

The Company was placed into Administration by the Directors on 6 February 2019, with Benjamin Wiles and Paul Williams of Duff & Phelps being appointed as Joint Administrators. Part of the business and certain assets of the Company were sold to the Purchasers on the same date (RDM) and on 8 February 2019 (Prosper). Further details of the transactions, the assets involved in the sales, and the sale considerations, are provided in more detail in the remainder of this report.

In accordance with their duties, Duff & Phelps considered alternative options in the lead up to the Administration as follows:

Share sale

During the marketing process, interested parties were given the option of purchasing the shares in the Company, which would have allowed the Company to be rescued as a going concern. Unfortunately, no offers were received from any party for the Company's shares.

Trading Administration

Consideration was given as to whether it would be possible to trade the Company in Administration, however this was not deemed viable for the following reasons:

- **Risk of loss of reputation and customers** – Given that the Company's customers operated in the financial sector, it was considered that an Administration appointment whereby the Company continued to trade in Administration for an extended period could seriously damage the Company's reputation and result in customers terminating their subscriptions, event bookings or contracts, which would increase any funding requirement as well as significantly devalue the Company's IPR and goodwill.
- **Funding** – Duff & Phelps undertook a review of the Company's cash flow forecast and concluded that the business would require additional working capital finance in order to trade in Administration. In this regard, the Secured Creditor was consulted by Duff & Phelps in respect of providing funding for a trading process, however, this was not considered to be a viable option for them. Alternative funding sources were not sought, given the above considerations and time constraints.

Accordingly, it was considered that by trading the Company in Administration with the view to completing a subsequent sale was unlikely to result in a better financial outcome for creditors than in a pre-packaged sale scenario.

For the reasons above, together with the associated risks and funding requirements to any appointed Administrator in trading the business in Administration, an extended trading period was not considered to be viable.

Creditors' Voluntary Liquidation

Consideration was given to placing the Company into CVL, however, due to the following reasons, this approach was deemed to be an inappropriate course of action.

- Duff & Phelps considered that the value of the Company's assets would be significantly eroded if the Company, or aspects of the Company's business, were not sold as a going concern. As detailed below, the majority of the Company's assets comprised IPR and goodwill. In a CVL, it was considered that it would be unlikely for any realisations to be made in respect of the goodwill, and the IPR would have been significantly devalued due to the insolvency. The pre-packaged Administration has enabled realisations to be made in respect of these intangible assets, increasing the return to creditors of the Company
- A CVL would mean all of the Company's 39 employees would have been made redundant. The redundancy and associated claims of the Company's employees would have worsened the position for creditors as a whole. The pre-packaged Administration has allowed 18 employees to transfer to the Purchasers under TUPE

Company Voluntary Arrangement ("CVA")

Consideration was also given to a CVA, however, the Company's ongoing working capital requirements, the loss-making aspects of the business, and the timescales involved with delivering a CVA proposal made this option prohibitive.

A CVA would require notice to be given to the Company's creditors, followed by subsequent consultation. Therefore, the Company's position would have been likely to become public knowledge, increasing the risk of reputational damage and loss of customers.

In addition, as detailed above, elements of the Company's business were not profitable, and further to this, certain contracts may have become terminable upon entry into an insolvency process, which would have had a detrimental impact upon the Company's ongoing ability to trade and the repayment of creditors under a CVA. Consideration was also given to the increased impact on the funding requirements for the Company up to any CVA proposal being put forward to creditors.

Accordingly, it was considered that no improved financial outcome to creditors would be achieved under a CVA proposal.

Pre-Packaged Administration

In the absence of any other viable options, Duff & Phelps advised the Company that a pre-packaged Administration sale of the Company's business and assets as a going concern was necessary to maximise the realisable value of the Company's assets and maximise the outcome for the Company's creditors as a whole.

Secured Creditor

The Company has the following outstanding charge registered against it at Companies House in favour of the Secured Creditor.

Lender	Charge	Date of Creation	Date Delivered
RC Caspian LLP	Fixed and floating charge over the all the property of the Company	13 April 2017	20 April 2017

At the date of Appointment, the Secured Creditor was owed c.£1 6m by the Company including accrued interest and charges. No Directors of the Company have provided any guarantees against the finance provided by the Secured Creditor or any other creditor of the Company.

The Secured Creditor, being the Company's sole secured creditor and largest individual creditor by value, was kept informed of correspondence between the Company and Duff & Phelps and was consulted in respect of major decisions, as these would impact on its ability to collect any returns against its' security. The Secured Creditor supported the strategy undertaken by Duff & Phelps in the lead up to the Administration.

Marketing of the business and assets

The Company had not undertaken a marketing process prior to the instruction of Duff & Phelps.

Accelerated Marketing Process

As detailed above, an accelerated marketing process was agreed between the Directors and Duff & Phelps as the appropriate restructuring strategy, with the Company being offered as a going concern.

As part of the planning for the marketing process, consideration was given to the length of any marketing period, being mindful of the Company's deteriorating cash position. Following this review, it was noted that the Company was due to host a significant event in early February and, therefore, needed to secure a sale as soon as possible to avoid cancellation of the event, and erosion of the value of the business. A longer marketing period was considered, however, it was felt that the imminent event at the beginning of February and the Company's financial position warranted an accelerated process, which should not result in a reduced sale price being achieved for the Company's business and assets.

The marketing process was commenced on 24 January 2019 with a Business Lite Memo being distributed to a selected audience of prospective interested parties. The audience was selected following consultation with the Directors and comprised a list of parties registered as having an interest in the media sector on Duff & Phelps internal database, as well as parties identified by the Directors, such as direct competitors and existing stakeholders. Parties were also selected based on deemed ability to complete a transaction in short order given the financial position of the Company.

As part of the consultation process, the Directors voiced significant concerns that wide distribution of the opportunity to Private Equity firms, some of which were also subscribers to the Real Deals business, could result in damage to the Real Deals brand and impact the ability of the division being sold as a going concern. As such, a number of private equity firms and intermediary brokers were removed from the circulation list to limit any potential damage to the Real Deals business and related IPR and goodwill.

Consideration was also given to advertising the Company's business or assets online, or in local or national publications. In light of the concerns that untargeted and widespread marketing might have a potential negative impact on the Company's goodwill and IPR should the Company's financial issues become generally public, Duff & Phelps considered that newspaper and general internet marketing was inappropriate in this case. Instead, a targeted and discreet marketing process was considered more appropriate to extract the best value for the Company's business and assets.

In this regard, marketing was conducted on a confidential basis via email, with a total of 110 prospective interested parties being invited to participate in the process. As part of the circulation, interested parties were provided the opportunity to sign and return an NDA to be allowed access to further information in relation to the Company.

A deadline of 5pm on 28 January 2018 was set for indicative offers from prospective purchasers, which provided five days for interested parties to assess the opportunity, on the basis that any subsequent due diligence would need to be completed quickly in order to facilitate completion in short order.

A total of 6 parties returned NDAs and were given access to an online data room, populated with more detailed information on the Company and its assets

As part of the marketing process, Duff & Phelps provided further specific information where requested, held meetings with interested parties and facilitated meetings and/or conference calls with the Directors, where required.

The Joint Administrators are satisfied that the pre-appointment marketing process carried out prior to completion of the sale was adequate

The Offers

Following conclusion of the accelerated marketing timeline, no offers were received for the entirety of the business and assets of the Company on a going concern basis from the parties that signed and returned NDAs.

Duff & Phelps were, however, able to secure a formal offer from RDM for the Real Deals and Events divisions for a total sum of £695,000 and an indicative offer from Prosper for the Real Business, Agency and Business Advice divisions for a total sum of £100,000, subject to additional due diligence. No offers were received from the other 4 potential purchasers.

Following consultation with the Agent, Secured Creditor and Directors, both offers were deemed to be acceptable given the circumstances and timescales involved.

On this basis, the offer from RDM was accepted on 30 January 2019 and the transaction progressed with a view to completing the sale as quickly as possible to avoid any further deterioration of the goodwill and IPR associated with Real Deals and Events.

A Notice of Intention to Appoint an Administrator was filed on the same date in order to obtain the benefit of an interim moratorium from creditor actions during the marketing process.

In parallel, Prosper were provided time to undertake additional due diligence on a non-exclusive basis, including meeting key staff members, to enable them to fully assess the opportunity and present a formal offer.

Whilst Prosper were given the opportunity to undertake parallel due diligence, it was noted that:

- the value of the transaction with RDM was comparably higher in value and preserved the employment status of 13 staff members,
- RDM had a desire to complete a transaction at the earliest possible opportunity due to the forthcoming event in early February and their deemed daily deterioration of the Company's intangible assets; and
- the offer from Prosper remained subject to additional due diligence and, therefore, remained uncertain of completion.

In this regard, the transaction with RDM was prioritised and completed at the earliest opportunity, with the Company being placed into Administration on 6 February 2019 and the transaction being facilitated shortly thereafter.

On 7 February 2019, Prosper presented a formal offer to the Joint Administrators for the Real Business and Business Advice divisions of the Company for a total sum of £25,000. In the absence of any other offers and given the necessity to preserve value in the assets associated with these divisions, the offer was accepted following consultation with the Secured Creditor and the Agent. Prosper declined to offer for the Agency Business.

The transaction

The transaction with RDM completed on 6 February 2019.

The transaction with Prosper completed on 8 February 2019.

Purchaser and Related Parties

The purchaser of the Real Deals and Events divisions of the Company is Real Deals Media Limited (Company Number: 03157774). The two current directors of RDM, Michael Loizou and Aristide Stavropoulos, also act as directors of the Secured Creditor and of CMH. It is understood that RDM will also be financed by the Secured Creditor.

The purchaser of the Real Business and Business Advice divisions of the Company is Prosper (Media) Limited (Company Number: 11807272). There is no prior connection between Prosper and the Company via mutual directorships or shareholdings.

Assets

The assets detailed below were sold to the Purchasers.

	RDM (Real Deals & Events)	Prosper (Real Business & Business Advice)
Fixed Charge		
All other IPR, Source Codes and Business Information	Yes	Yes
Goodwill	Yes	Yes
IPR comprising the brand, trademarks and domain names, Source Codes and Business Information	Yes	Yes
Floating Charge		
Company Records	Yes	Yes
Customer Contracts and Customer Deposits	Yes	Yes
Databases	Yes	Yes
Equipment and the Information Technology	Yes	Yes
Prepayments and Supplier Contracts	Yes	Yes
Royalty Payments	Yes	No
Work-In-Progress and the Work in Progress Book Debts	Yes	Yes

Sale consideration

The sale considerations for the transactions totalled £695,000 and £25,000 respectively and were apportioned to the assets as follows:

	RDM (£)	Prosper (£)
Fixed Charge Assets		
All other IPR, Source Codes and Business Information	270,000	
Goodwill of Events	1,000	
Goodwill of Real Business & Business Advice		1
Goodwill of Real Deals	1,000	
IPR in relation to Real Business & Business Advice, including Source Codes & Business Information		17,995
IPR in relation to Real Deals, comprising the brand, trademarks and domain names	250,000	
IPR in relation to the Events Business, comprising the 'Private Equity Awards' brand and associated trademarks and domain names	75,000	
Sub-Total	647,000	17,996
Floating Charge Assets		
Company Records	1	1
Customer Contracts and Customer Deposits	1	1
Databases of Agency, Business Advice, Contract Publishing and Real Business		1
Databases of Real Deals and Events	5,000	
Equipment and the Information Technology	22,996	4,000
Prepayments & Supplier Contracts	1	1
Royalty Payments	1	
Work-In-Progress and the Work in Progress Book Debts	20,000	3,000
Sub-Total	48,000	7,004
Total Consideration	695,000	25,000

It should be noted that, of the total consideration payable by RDM, £22,000 was paid in cash on completion of the transaction and £673,000 in lieu of a distribution to the Secured Creditor.

In the event that the asset realisations from cash at bank, prepayments, book debts and any other realisations prove insufficient for a distribution to the Secured Creditor of £673,000, the Joint Administrators have been provided with an indemnity from both RDM and the Secured Creditor for any shortfall.

Other

In accordance with SIP 16, the Joint Administrators confirm that the transactions do not include a provision for a buy-back and are not part of a wider transaction.

Valuation of the business and assets

Duff & Phelps instructed the Agent to carry out a valuation of the Company's tangible and intangible assets. The Agent confirmed that it holds adequate levels of professional indemnity insurance and that it is independent. The valuations were undertaken by Matt Earl, a RICS qualified valuer, of the Agent.

Tangible Assets

The tangible asset valuation was prepared on two bases of market value, as follows.

- **In-Situ**, which is the market value of the assets on the basis that they remain in place as part of a functioning business;
- **Ex-Situ**, which is the market value of the assets in the scenario of a properly promoted piecemeal private treaty or auction sale of the assets on a break up basis

The rationale for obtaining the valuation on the above bases was to distinguish between the values of the asset to a successor business (in-situ) or on a break up basis (ex-situ). In addition, the rationale for the above bases is for the apportionment of the sale consideration to ensure correct allocations to fixed and floating assets due to the impact this has on creditors

Below is a summary of the valuation of the Company's tangible assets, as provided by the Agent

Equipment and Information Technology – Real Deals and Events

	In-Situ (£)	Ex-Situ (£)
IT Equipment	22,650	10,495

The Company's tangible assets relating to the Real Deals and Events divisions consisted of IT hardware, mobile phones and photo/video equipment. In addition, the Company had a number of trademarked events, banners and sundry equipment. These assets were included in the sale to RDM at £22,996, as detailed above.

Equipment and Information Technology – Real Business and Business Advice

	In-Situ (£)	Ex-Situ (£)
IT Equipment	4,235	2,115

The Company's tangible assets relating to the Real Business and Business Advice divisions consisted of IT hardware and mobile phones. These assets were included in the sale to Prosper at £4,000, as detailed above.

Intangible Assets

Goodwill, Databases and IPR – Real Deals and Events

On the basis of a going concern sale, the Agent recommended a value between £500,000 and £600,000 for the goodwill and IPR of Real Deals and Events.

The Agent deemed it to be unlikely that any significant realisations would be achievable in the event of an ex-situ sale

As detailed above, these assets were included in the sale to RDM for £647,000

Goodwill, Databases and IPR – Real Business and Business Advice

On the basis of a going concern sale, the Agent recommended a value between £10,000 and £15,000 for the goodwill and IPR of Real Business and Business Advice.

The Agent deemed it to be unlikely that any significant realisations would be achievable in the event of an ex-situ sale.

As detailed above, these assets were included in the sale to Prosper for £17,996.

Connected Party Transactions

As discussed above, RDM has two directors in common with the Secured Creditor and the Company's parent company, CDM. The sale to RDM is, therefore, considered a connected party transaction by the Joint Administrators under the provisions of SIP 13.

The mutual directors and RDM were made aware of their ability to approach the pre-pack pool under the provisions of SIP 16 but elected not to do so. Consequently, no viability statement was requested by the pre-pack pool or the Joint Administrators in this regard.

To confirm, it is understood that the Directors will have no further involvement with the Company following the sales to RDM and Prosper and will, therefore, have no connection with the business going forward.

Statutory Purpose

The statutory purpose of the Administration is to achieve one of the following hierarchical objectives:

- Rescuing the company as a going concern, or
- Achieving 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), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern, or via a CVA process. As noted above, the Company was marketed with the option of pursuing a solvent sale, however no offers were received for the Company as a whole.

The Joint Administrators are therefore pursuing the second objective as it is considered that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration for the following reasons:

Caspian Media Limited (in Administration) ("the Company")

- The pre-packaged sales have achieved value for the intangible assets of the Company, as well as in-situ values for the tangible assets of the Company, which the Joint Administrators believe would not have been possible in a liquidation scenario.
- The pre-packaged sales have preserved the employment of 18 of the Company's staff, who would otherwise likely have been made redundant, thus reducing both preferential and non-preferential unsecured claims in relation to the employees of the Company.
- Book debt collections are anticipated to be enhanced by the continuity of business provided by both purchasers

The Joint Administrators consider that the sale prices achieved were the best reasonably obtainable in all the circumstances. Consequently, the transactions have enabled the statutory purpose to be achieved.

Should you have any queries in respect of this report, please contact Charlotte Tasker on 0207 089 4833 or Charlotte.Tasker@DuffandPhelps.com.

Yours faithfully
For and on behalf of
Caspian Media Limited



Benjamin Wiles
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Benjamin John Wiles and Paul David Williams who act as agents for the Company and without personal liability. They are both licensed in the UK by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.