In accordance with Rule 3.38 of the Insolvency (England & Wales) Rules 2016

AM06

Notice of approval of administrator's proposals

Companies House

1 Company details

Company number	0 3 5 1 2 9 9 7
Company name in full	Beta Services (UK) Limited

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

2 Court details

Court name	High Court of Justice, Business & Property Courts of England and Wales
Court case number	0 0 8 7 2 0 2 0 1 8

3 Administrator's name

Full forename(s)	Clare
Surname	Boardman

4 Administrator's address

Building name/number	1 City Square
Street	Leeds
Post town	West Yorkshire
County/Region	
Postcode	L S 1 2 A L
Country	

AM06
Notice of approval of administrator's proposals

5	Administrator's name ❶
Full forename(s)	Richard Michael
Surname	Hawes

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

6	Administrator's address ❷
Building name/number	5 Callaghan Square
Street	Cardiff
Post town	CF10 5BT
County/Region	
Postcode	
Country	

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

7	Date administrator(s) appointed
Date	d1 d5 m1 m0 y2 y0 y1 y8

8	Date statement of proposals delivered to creditors
Date	d0 d6 m1 m2 y2 y0 y1 y8

9	Date proposals were deemed to be approved
Date	d2 d0 m1 m2 y2 y0 y1 y8

10	Sign and date
Administrator's signature	Signature X ClaeBooth X
Signature date	d2 d0 m1 m2 y2 y0 y1 y8

AM06
Notice of approval 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	Emily Thorne
Company name	Deloitte LLP
Address	Four Brindleyplace
	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

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 signed and dated the form.

Important information

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

Where to send

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

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

Further information

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

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

Deloitte.

Beta Distribution Plc ("Plc"), Beta Distribution Employee Services LLP ("LLP"), Beta Services (UK) Limited ("SUK"), and The Content Wall Limited ("TCW") - ("the Companies") - all in administration

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Plc:
Court Case No. 008632 of 2018
In the High Court of Justice,
Business & Property Courts of
England and Wales;
Insolvency & Companies List (Chd)
Company Number: 01970907

LLP:
Court Case No. 008722 of 2018
In the High Court of Justice,
Business & Property Courts of
England and Wales;
Insolvency & Companies List (Chd)
Company Number: OC396910

SUK:
Court Case No. 008720 of 2018
In the High Court of Justice,
Business & Property Courts of
England and Wales;
Insolvency & Companies List (Chd)
Company Number: 03512997

TCW:
Court Case No. 008719 of 2018
In the High Court of Justice,
Business & Property Courts of
England and Wales;
Insolvency & Companies List (Chd)
Company Number: 09265110

Registered Office for the Companies:
c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Clare Boardman and Richard Michael Hawes ("the Joint Administrators") were appointed Joint Administrators of Beta Distribution Plc, Beta Distribution Employee Services LLP, Beta Services (UK) Limited, and The Content Wall Limited on 15 October 2018. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

6 December 2018

Deloitte.

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ
UK
Tel: +44 (0) 121 632 6000
Fax: +44 (0) 121 695 5678
www.deloitte.co.uk

Beta Distribution Plc, Beta Distribution Employee Services LLP, Beta Services (UK) Limited, and The Content Wall Limited - in administration.

This Statement of Joint Administrators' Proposals ("the Proposals" or "our proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our proposals to achieve the purpose of the administrations.

We do not think that the Companies have sufficient property to enable a distribution to be made to unsecured creditors, other than under the prescribed part provisions pursuant to section 176A of the Act, ("the Prescribed Part"). As such we are not required to ask creditors to approve our proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of the Companies.

If you would like to ask us to hold a decision procedure to consider our proposals please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administration at www.deloitte.com/uk/beta and return it to us by post or email no later than 20 December 2018. Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency (England & Wales) Rules 2016 ("the Rules"), if so decided by creditors.

In the event that a request for a decision procedure is not received by us within the above deadline, our proposals will be deemed approved on 20 December 2018 and a notice to that effect will be filed at Companies House.

Please refer to the Frequently Asked Questions section on the case website for more information about decision procedures in insolvency proceedings.

Please also note that hard copies of any of these documents will be provided free of charge on request.

We have also included the following information in this report:

- background of the Companies;
- the circumstances giving rise to the appointment of the Joint Administrators;
- the progress of the administrations to date; and,
- the Joint Administrators' proposals for achieving the objective of the administrations (Appendix E).

Yours faithfully
For and on behalf of the Companies

Joint Administrators

Contents

Key messages

y messages

int Administrators
f the Companies

Clare Boardman

Richard Michael Hawes

Deloitte LLP

Four Brindleyplace

Birmingham

B1 2HZ

Contact details

Email: ethorne@deloitte.co.uk

Website: www.deloitte.com/uk/beta

Tel: +44 (0) 121 696 8569

Date proposals delivered to creditors: 6 December 2018

	Commentary
Purpose of the administration	• The purpose of the administrations will be to achieve a better result for the Compan as a whole than would be achieved through liquidations.
Joint Administrators' strategy	• Plc, LLP, and TCW ceased trading on 15 October 2018; SUK was already non-trading. Since appointment, our strategy has been focused on identifying and realising the Companies' assets, as detailed on page 11.
Progress to date	• Since the administration and up to 30 November 2018, £7.4 million of Plc's book debts have been realised and sales of stock have generated proceeds of £0.1 million. • Additionally, sales of chattel assets have generated £25,600 in Plc and £53,700 in LLP. • Considerable time has also been spent undertaking reviews of the Companies' financial records and securing IT systems and records for forensic review as part of our investigations.
Approval of the proposals	• As there is no prospect of any funds being returned to unsecured creditors of any of the Companies (other than possibly by way of the Prescribed Part in Plc only), our proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to page 14 for further details. • Please note that hard copies of any of these documents will be provided to you free of charge on request using any of the contact details provided to the left of this page.
Estimated Timescale	• On current information the duration of the administrations are unlikely to exceed 12 months following which it is anticipated that the Companies will be dissolved, as set out on page 16.
Estimated Costs	• We propose to charge our fees in each entity by reference to our time costs. • We have provided fees estimates showing a breakdown of our anticipated time costs and actual costs to date for each of the Companies at Appendix D. • We anticipate that disbursements of approximately £12,180 in Plc, £3,330 in LLP, £20 in SUK, and £20 in TCW, will be incurred over the duration of the appointment as detailed in Appendix D. • We anticipate that third party costs in relation to legal fees and agents fees will be in the region of £0.5 million in Plc, £19,000 in LLP, £9,000 in SUK, and £9,000 in TCW, over the duration of the appointments as detailed on pages 19-20.
Estimated Outcomes	• On current information, we anticipate the following outcome for each category of creditor: – Lloyds Banking Group and Lloyds Bank Commercial Finance Limited ("the Secured Creditors"). The Secured Creditors will not be repaid in full in the Plc administration. There are no secured creditors in LLP, SUK, or TCW, albeit SUK has provided a guarantee in respect of Plc's securec debt. – Preferential creditors – There will be insufficient realisations to enable payment of preferenti claims for the employees of LLP and TCW. Plc and SUK had no employees and consequently we do not expect to receive any preferential claims in these entities. – Unsecured creditors –It is unlikely that there will be a distribution for unsecured creditors c any of the Companies. However, it is possible that in Plc there may be a small PP but, if so it is expected that we will seek to dis-apply the PP on the grounds of it being of insufficient quantum for a distribution to be economical.
Proposals	• Our proposals for managing the business and affairs of the Companies are set out on page

Background

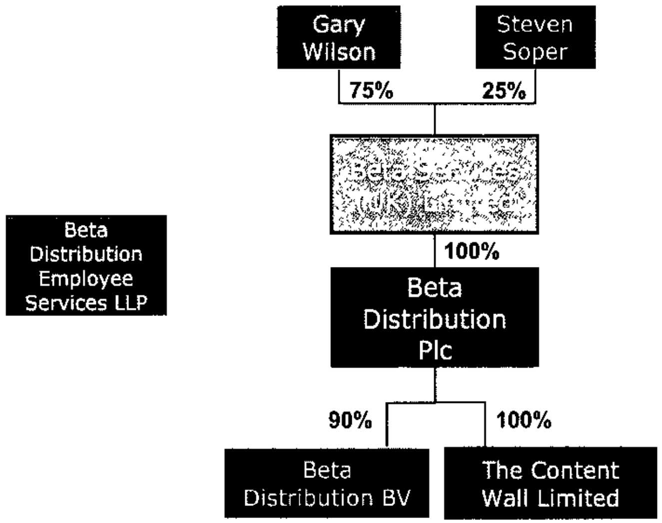
Background
The Companies

"The Group" includes the Companies in administration and the Dutch entity Beta Distribution BV.

The Companies operated as wholesalers of office supplies, IT products/ consumables, and Audio-visual ("AV") services.

Beta Distribution BV (a Dutch registered entity) is not presently in an insolvency process and remains under the control of its director.

Group Structure



- 75% shareholder in SUK
- UK trading company
- Entities in administration
- Overseas trading company
- Non-trading company
- 25% shareholder in SUK

Source: Management information / Companies House

Statutory directors	Statutory members
Plc • John Cooper • Jonathan Duckham • Ben Jackson • Nigel Morris • Steven Soper • Gary Wilson • Irene Wilson **SUK** • Steven Soper • Gary Wilson • Irene Wilson **TCW** • Steven Soper	**LLP** • Beta Services (UK) Limited • John Cooper • Jon Duckham • Ben Jackson • Lauren Johns • Nigel Morris • Steven Soper • Claire Soper • Gary Wilson • Irene Wilson

Background and Group structure

- The Group comprises five entities, of which four (Plc, SUK, TCW and LLP) are currently in administration. The turnover of the Group was estimated as £169m for the year to March 2018.
- Plc, the main trading entity in the Group, operated as a wholesaler of office supplies, IT consumables and products, and AV products and services, with a primarily UK based customer base. Its head office was in East London (leased premises). Plc utilised a third party warehouse in the West Midlands for its stock storage, picking and distribution requirements.
- The shares in TCW were acquired in April 2018 and it operated as an AV services provider (installations and maintenance).
- LLP operated as an employee services company with recharge agreements with Plc and BV. As at 15 October 2018, LLP employed 99 of the Group's staff, with 9 staff employed directly by TCW.
- SUK is a non-trading holding company for the Group, owned by Gary Wilson (75%) and Steve Soper (25%).
- The fifth entity is a majority owned trading subsidiary of Plc, Beta Distribution BV ("BV"), an office supplies wholesaler registered and based in the Netherlands. BV remains under the control of its director.
- LLP and TCW have no company secretary. Plc's secretary is Irene Wilson. SUK's secretary is Gary Wilson.

Although Plc, the main trading entity in the Group, had historically traded profitably, the directors advise that reduced liquidity and the impact of foreign exchange currency contract losses materially affected the Group's trading performance.

The impact of these cash losses is not evident in the March 2017 statutory accounts filed for the Companies.

Plc summary profit and loss account (including BV)

£'000	P&L for 12 months to 31 Mar 17 (audited)	P&L for 12 months to 31 Mar 16 (audited)
Turnover	186,077	166,333
Cost of Sales	(170,834)	(151,617)
Gross Profit	**15,243**	**14,716**
Gross Margin %	8%	9%
Distribution costs	(4,171)	(4,827)
Administrative expenses	(9,134)	(7,924)
Other operating income	2	6
Profit before interest and tax	**1,940**	**1,971**

Source: Companies House

Balance sheets for the Companies

£'000	Plc as at 31 Mar 17 (audited)	LLP as at 31 Mar 17 (unaudited)	SUK as at 31 Mar 17 (audited)	TCW as at 31 Mar 17 (unaudited)
Tangible assets	833	112	-	98
Investments	20		225	
Fixed assets	**853**	**112**	**225**	**98**
Stock	18,610	-	-	20
Debtors	40,308	481	1,493	1,113
Other	-	-	-	14
Current Assets	**58,918**	**481**	**1,493**	**1,147**
Trade creditors	(17,277)	-	-	(347)
Secured debt	(30,687)	-	-	(283)
Other creditors	(2,337)	(258)	(1,672)	(773)
Total Liabilities	**(50,301)**	**(258)**	**(1,672)**	**(1,403)**
Net Assets	**9,470**	**335**	**46**	**(158)**

Source: Companies House

Comments on historical financial position

Plc's financial statements include the consolidated results of BV in the profit and loss account, as shown in the table opposite. Individual profit and loss accounts for LLP, SUK and TCW were not prepared.

Plc, which was the principal trading entity, showed turnover growth and generated a profit before interest and tax in the years to 31 March 2016 and 31 March 2017 (including BV which accounted for approximately 20% of revenue). However, the accounts opposite do not include the losses incurred on foreign exchange currency contracts which the directors of Plc advise would have materially adversely changed the result.

The last statutory balance sheets for each of the Companies are shown in the bottom table. Whilst Plc's balance sheet shows a substantial net assets position, as referred to above, the directors advise that as hedge accounting was not utilised, this does not take account of substantial future losses on foreign exchange currency contracts.

The directors advise that in the period subsequent to 31 March 2017 until the Joint Administrators' appointment, trading performance deteriorated significantly as a consequence of the crystallisation of foreign exchange contract losses resulting in limited liquidity in the Companies. Furthermore, key suppliers reduced the Companies' credit terms following the withdrawal of credit insurance due to declining trading and cash-flow.

Please note that this information has not been verified by the Joint Administrators or by Deloitte.

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The directors/members of each of the Companies estimate that the Companies (primarily Plc) suffered a cash loss of c. £14m through foreign exchange currency contracts it had entered into in 2016, resulting in severe liquidity pressure. A report by the Companies' advisors, KRE Corporate Recovery, also identified an overstatement of Plc's stock by c. £10m.

In September 2018, Plc filed forms with Companies House to extend its accounting period from the 12 months to 31 March 2018 to the 18 months to 30 September 2018.

External trade press reported in September 2018 that multiple credit insurers had withdrawn cover for Plc, restricting the ability of the Companies to obtain credit terms from suppliers.

In September 2018, Plc breached its bank overdraft limit. As a consequence of this and concerns over the Companies' trading performance, Lloyds Bank plc ("the Bank"), and Lloyds Bank Commercial Finance Limited ("LBCF") (together "LBG", "the Secured Creditors") engaged Deloitte to assess the Companies' financial position and short term cash flow.

Involvement of Deloitte pre-appointment

The directors of Plc (at the request of the Secured Creditors) engaged Deloitte in September 2018 to advise them in relation to the Companies' financial position and options available.

Following this introduction, Deloitte was instructed by Plc and the Secured Creditors to produce a contingency planning report, review the Companies' short term cash flow forecast, and review the potential options available to the Companies and Plc's Secured Creditors.

Involvement of Deloitte pre-appointment (cont'd)

As a result of the Companies' liquidity position, the directors deemed that it was not possible for the Companies to continue trading without new investment.

A decision was taken that a sale of the Companies or their business and assets should be explored. Deloitte was engaged to market the businesses for sale via an accelerated merger & acquisition process over a period of less than two weeks, as the Companies' cash flow would not support a longer period of marketing. This process involved 19 parties being contacted regarding the opportunity. However, the process did not result in any acceptable offers being received.

When decision to appoint was made

With no offer for the business or other new investment available, the directors held a board meeting on 11 October 2018 to consider placing the Companies into administration.

Consequently, Clare Boardman and Richard Michael Hawes of Deloitte were asked to take the pending appointments as Joint Administrators of the Companies by their directors (members in the case of LLP). Notices of Intention to Appoint Administrators were filed at the Court on 11 October 2018, with the administration appointment following on 15 October 2018.

Post-appointment

Post-appointment

Purpose

Appointment of the Joint Administrators

Clare Boardman and Richard Michael Hawes, of Deloitte, were appointed Joint Administrators of each of the Companies by the directors (members in the case of LLP) on 15 October 2018, following the filing of Notices of Appointment of Joint Administrators by the Companies' directors/members.

Purpose of the administration

With no acceptable offers having been received for the Companies to allow it to continue as a going concern, combined with the unavailability of funding to facilitate ongoing trading, rescuing the business as a going concern was not considered viable.

Accordingly, the purpose of the administrations is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

Post-appointment

Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their proposals are approved

Sale of business and subsequent strategy

The business and assets of the Companies were marketed for sale prior to the administration appointments. This process yielded no offers for the business as a going concern, with the Companies' financial position and the quantum of the funding required cited by interested parties as the principal reasons for withdrawing from the process.

Immediately following appointment, the Joint Administrators undertook an assessment of the Companies' financial affairs to assess whether it would be possible or viable to continue to trade within the administration.

Plc's stock was primarily held in a third party warehouse whose operators exercised a lien over the goods against an outstanding balance of c.£50,164 (with potential further contractual amounts due). As such, the immediate continuation of trade was not possible as Plc held no liquid funds to settle the lien claim.

Furthermore, a significant proportion of stock was expected to be subject to Retention of Title ("ROT") claims from suppliers and considerable work would be required to determine which stock was unencumbered (and therefore saleable), to avoid the risk of selling stock over which a third party retained title.

Consequently, it was considered that there would be a significant lead time before the Companies would be able to trade following the administration appointments. Additionally, the prospects of purchasing any new stock were very limited given the Companies' funding position and in any event, was deemed unlikely to improve the outcome for creditors.

The Joint Administrators concluded that trading was not viable and therefore the strategy has been to wind down the Companies' business in an orderly fashion, whilst realising the principal assets of stock and debtors in Plc.

Asset realisations

Leasehold property

The Companies operated from two leasehold properties and one serviced office facility, all of which have now been vacated and keys returned to their respective landlords.

Legal advice has been sought where required in relation to the various properties and leases.

Book debts

As at the date of our appointment, Plc's debtors ledger showed pre-appointment book debts of £30.9 million. Through its confidential invoice discounting ("CID") facility with LBCF, the debts invoiced by Plc were pledged to LBCF, As such, realisations from these assets are for the sole benefit of LBCF to the value of its debt (£24.4 million).

Specialist credit control and debtor collection agents, Veritas Commercial Services ("Veritas") have been instructed to assist with collecting Plc's debts from approximately 1,400 accounts on the ledger. This process, which has been overseen by the Joint Administrators, has involved significant work to reconcile customer accounts and the verification of balances due. To date, realisations from book debts in Plc total £7.4 million with work ongoing in relation to the remainder of the debtors ledger.

All debts will be pursued as vigorously as possible whilst it remains economical to do so. Where appropriate, legal advice is being sought from Shakespeare Martineau LLP ("Shakespeare") regarding legal options available to obtain payment of debts due.

Although substantial work has already been undertaken and will remain ongoing, it is likely that LBCF will face a shortfall on its indebtedness. As such, at this stage, it appears highly unlikely that any surplus funds will be available to Plc's general body of unsecured creditors in the administration.

Chattel assets

As at the date of appointment the Companies (principally Plc and LLP) owned tangible assets including motor vehicles, fixtures and fittings and other items across its trading premises, with a combined book value of £0.9 million. An independent valuer, the SIA Group ("SIA"), has been instructed to secure, value and seek purchasers for these assets. To date, realisations from these assets have generated proceeds of £25,600 in Plc and £53,700 in LLP. As shown in the receipts and payments accounts in Appendix C, £21,083 has been remitted to the administration account of LLP to date, with the remaining balances to be transferred from SIA.

A number of motor vehicles were subject to finance and have now been returned to the relevant finance company following SIA's advice that no asset had a value in excess of the debt advanced on it.

Stock

As per the directors' Statement of Affairs, the book value of stock in Plc as at the date of appointment was £5.6million. In order to access the stock, it was necessary to settle a lien claim by Plc's third party warehousing and logistics provider, which totalled £50,134.

ROT claims over £2.4 million of this stock have been received, which are in the process of being reviewed. Stock which is not subject to an ROT claim has been marketed for sale and negotiations with interested parties are ongoing. SIA has been engaged to assist with the marketing and sale of this stock. As ROT claims over remaining stock are resolved, further stock will be offered for sale. To date realisations of £0.1 million have been achieved.

Post-appointment

Progress of the Administration (continued)

Intangible assets

At the date of appointment the Companies owned intangible assets including bespoke and off-the-shelf software, domain names and brand related assets such as trademarks. An independent agent, Hilco Capital Limited ("Hilco"), was engaged to market and sell, or otherwise dispose of these assets. Total realisations to date in Plc are £29,500 and this process remains ongoing.

Director Loan Accounts

Director loan accounts as per the Directors' statement of affairs, totalled £0.4 million in Plc and £1.5 million in SUK.

Approximately £2.5 million of share capital issued by Plc to two directors remains unpaid. A demand has been issued to the two individuals in question to seek payment of the outstanding balance, in accordance with the Joint Administrators' statutory powers and Plc's articles of association.

Post appointment funding

In order to fund the initial costs of the administrations, the Joint Administrators continued with Plc's pre-appointment CID facility. This facility is no longer required and will be discontinued

Receipts and Payments Accounts

Receipts and payments accounts for the Companies detailing asset realisations achieved and costs paid up to 30 November 2018 are provided in Appendix C.

Post-appointment

Joint Administrators' proposals

The Joint Administrators' proposals

Our proposals for the administrations include:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses;
- assessing the affairs of the Companies and reviewing and reporting on the conduct of its directors and members and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or their management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration and, as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration;
- that, if the Companies are to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally; and
- seeking specific approval from the appropriate bodies to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administrations. Please refer to Appendix E for further details.

Estimated outcome for creditors

Secured creditors

There are no secured creditors in LLP, SUK, or TCW, albeit SUK has provided a guarantee in respect of Plc's secured debts.

Plc's records show that, at the date of appointment, the following amounts were owed to Secured Creditors:

- LBCF - £24.4 million in respect of a CID facility.
- LBG - £4.1 million in relation to an overdraft and trade finance facility.

These amounts are secured by way of fixed and floating charges granted by Plc on 25 July 2008 and 22 July 2008 respectively. Furthermore, Plc's book debts have been pledged to LBCF. Interest and charges will continue to accrued on secured debts until repaid in full. Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditors in full.

Hire purchase creditors

SUK and TCW do not have any hire purchase creditors. Certain plant, equipment, and vehicles were subject to hire purchase/lease agreements with Plc and LLP, and these assets have now been collected by the relevant financiers. Having regard to the amounts outstanding under the hire purchase/lease agreements pre interest and charges, no surplus funds will become available for the administration estates.

Preferential creditors

Plc and SUK are understood to have no preferential creditors. Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions. We estimate that there will be c.100 preferential claims in LLP totalling c.£150,000 and c.10 claims in TCW totalling c.£15,000. On present information, it is not anticipated that sufficient funds will become available to enable these claims to be paid.

Unsecured creditors

The directors' Statement of Affairs for Plc shows 204 unsecured creditors with estimated non-preferential claims totalling £22.6 million.

It is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors (including via the PP).

The members' Statement of Affairs for LLP shows 3 unsecured creditors with estimated non-preferential claims totalling £4,000. It is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors and the PP does not apply.

The directors' Statement of Affairs for SUK shows that there were no unsecured creditors, albeit LBCF has a guarantee for SUK in respect of Plc's debts. It is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors and the PP does not apply. If funds are available for distribution, LBCF would likely be the sole beneficiary.

The directors' Statement of Affairs for TCW shows 49 unsecured creditors with estimated non-preferential claims totalling £13,000. It is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors and the PP does not apply.

Prescribed Part

The PP is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The PP is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company. Where the value of the PP is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

Based on current information, it is unlikely Plc will have sufficient net property to enable a distribution under the PP. The PP does not apply to LLP, SUK, or TCW as there is no floating charge holder and therefore no net property.

Claims process

As there is no prospect of a distribution for unsecured creditors of any of the Companies, we do not intend to undertake any work to agree any creditor claims received as this work is performed only once the dividend prospects are certain.

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administration will cease on the date that notice is registered and the Companies will be wound up.

Please note that if any of the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are deemed approved, i.e. by 20 December 2018. Additionally:

  - Any creditors' committee appointed in the administrations will become a liquidation committee.
  - For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the secured and preferential creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

Remuneration and expenses

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at

www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount;
- or, any combination of the above.

Plc

There will be no funds available to the unsecured creditors other than potentially under the Prescribed Part provisions if enough net property is realised. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration by reference to our time costs incurred in attending to matters arising in the administration with the consent of each secured creditor (we are not aware of any preferential creditors of Plc).

LLP

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration by reference to our time costs incurred in attending to matters arising in the administration with a decision of the preferential creditors in a decision procedure.

SUK

There are no preferential or secured creditors in SUK. It is uncertain as to whether there will be funds available to the unsecured creditors of SUK. Therefore, we will either:

- seek a contribution to our time costs from LBG/LBCF if asset realisations do not occur; or
- in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration by reference to our time costs incurred in attending to matters arising in the administration with a decision of the unsecured creditors in a decision procedure.

TCW

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration by reference to our time costs incurred in attending to matters arising in the administration with a decision of the preferential creditors in a decision procedure.

Fees Estimate

Fees Estimates are provided at Appendix D in which we have tried to provide you with as accurate an estimate as we can of our likely time costs for the duration of the appointments. We have based these estimates on experience in other similar matters and the cost of work done to date and estimate that our time costs for each entity will be:

Plc: approximately £1.7 million

LLP: approximately £0.3 million

SUK: approximately £0.1 million

TCW: approximately £0.2 million

Payment of time costs incurred will be subject to the funds available in each administration and approval being obtained from the relevant statutory procedure.

This excludes pre-appointment costs details on page 21.

Joint Administrators' Expenses

We anticipate that we will incur the following disbursements during the appointment:

- Statutory Advertising - we are required to give notice by advert in the London Gazette of our appointment. We estimate the advertising costs in this regard will be £506 across the Group.

Expenses - Legal costs

- We have instructed CMS Cameron McKenna Nabarro Olswang LLP ("CMS"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to:
  - Appointment– CMS prepared the relevant documentation to effect the appointment of administrators over the Companies;
  - Ongoing ad hoc queries – we instructed CMS to assist with further legal queries as they arise, relating to any queries including on suppliers, third party contracts, warehouse queries, ROT, and any necessary documentation. They have estimated that their fees will not exceed £112,000 (exclusive of VAT and disbursements) across the Companies.

Expenses – Legal costs cont'd

- We have instructed Addleshaw Goddard LLP ("Addleshaw"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to:
  - Validity of Appointment review – we instructed Addleshaw to review the validity of our appointments. They estimate their fee for so doing will be £6,000 plus VAT across the Companies;
  - Legal advice in relation to pursuit of director loan accounts and unpaid share capital. Estimated fees for this work-stream will be dependent on the amount of legal involvement required to recover balances owed.
- We have instructed Shakespeare, a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to:
  - Plc ROT claims – we instructed Shakespeare to assist with ad hoc queries regarding ROT claims. Up to 30 November 2018, Shakespeare had incurred £2,000 (excluding VAT) of costs on this work-stream. Future costs are uncertain as this will be dependent on the level of further ROT claims and/or disputes arising over existing claims. However, we do not expect costs in this area to exceed £15,000 (excluding VAT);
  - Pursuit of book debts – for non-paying and disputed debtors, Shakespeare are providing legal assistance as regards recovery options and potential legal actions. Until 30 November 2018, Shakespeare's costs for this work totalled £14,000. Future costs will depend on the level of non-paying debtors and disputes, therefore cannot be accurately estimated. At this stage, we do not expected costs associated with this work to exceed £60,000 (excluding VAT).

All legal costs are reviewed by us and analysed in detail before payment is approved or made.

Expenses – Agents' costs

- We have instructed SIA, a firm of agents with the appropriate expertise and experience, to assist in the following matter:
  - Sale of stock and assets – SIA have been instructed to assist with the sale of assets of Plc, TCW and LLP and estimate their fee for so doing will be £110,000 plus VAT in Plc and £3,000 plus VAT in LLP (albeit this will largely be contingent on the value of realisations achieved);
- We have instructed Veritas, a firm of agents with the appropriate expertise and experience, to assist in the following matter:
  - Veritas has been instructed to assist with collection of book debts in Plc on a no recovery no fee basis. Their fee for so doing will be 1.5% of any recoveries made plus VAT.
  - Veritas have been permitted to charge for expenses as appropriate and so far have incurred £12,400 including accommodation, hardware and software required for the work to be performed.
- We have instructed Hilco, a firm of agents with the appropriate expertise and experience, to assist in the following matter:
  - Hilco has been instructed to assist with realisation of intangible assets. Given the uncertain realisations from these assets, Hilco's fee for so doing will be 35% of any recoveries made plus VAT.
  - Hilco have been permitted to charge for expenses as appropriate and so far have incurred approximately £2,000 relating to outlays required for the work to be performed.

All agent costs are reviewed by us and analysed in detail before payment is approved or made.

Summary cost estimates

- A summary of estimated legal and agents' costs for each of the Companies is shown in the table below.
- The actual level of cost incurred will be dependent on asset realisations where agents are on a contingent fee arrangement, and on the extent of any further legal input needed in the administrations.

Summary of cost estimates

£000	PLC	LLP	SUK	TCW
CMS	81	15	8	8
Addleshaw	10	1	1	1
Shakespeare	75	-	-	-
Veritas	225	-	-	-
SIA	110	3	-	-
Hilco	10	-	-	-
	511	**19**	**9**	**9**

Remuneration and expenses

Pre-administration costs

Statement of pre-administration costs

In the following paragraphs we have provided an explanation of the work carried out by us and by CMS in the period prior to the administration of the Companies, and which was carried out with the intention of helping to achieve the objectives of the administration, i.e. to prepare for the appointment, ascertain whether the business could be sold or traded, and optimise realisation of assets in the wind down process.

Joint Administrators' pre-administration costs in Plc

- Review the potential rights of third parties in each of the Companies to ascertain their ability to influence the proposed administration strategy.
- Assess the impact of the Companies' insolvencies on the ability of BV to continue trading (with BV's shares being a potential asset of Plc).
- Prepare a funding proposal to LBG and LBCF to support the financing required to allow the administration strategies to be enacted.
- Notify in advance the relevant Government bodies that redundancies would be a possibility as a consequence of the administrations.
- Review of the lien position relating to Plc's third party warehousing and logistics provider.
- Assess the Companies' IT and infrastructure to identify critical systems likely to be needed to fulfil the administration strategies.

Activity		Actual Time and Costs for Report Period		
		Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Initial actions	Appointment matters	92.9	704	65,431
Investigations	Investigations	4 5	866	3,895
Total fees estimate		97.4	712	69,326

In relation to this work our costs and expenses are £69,326 (excluding VAT) which remain unpaid.

CMS pre-administration costs

During planning for the administration, we were assisted by CMS on matters including:

- appointment documents
- advising on regulations
- advising on timings
- serving notices
- security structure

In respect of this work, CMS incurred the following costs in each of the Companies, which remains outstanding:

- PLC - £18,181
- LLP - £4,358
- TCW - £4,045
- SUK - £3,494
- Total - £30,078

Approval of unpaid pre-administration costs

As set out above, including legal costs we have unpaid pre administration costs and expenses of £87,507 (excluding VAT) in Plc. The payment of these unpaid costs as an expense of the administration is subject to approval under Rule 3.52. In this regard we will invite the secured creditors of Plc to decide whether and to what extent the unpaid pre-administration costs should be approved for payment.

In respect of CMS's costs in LLP, TCW and SUK referred to above, the payment of these unpaid costs as an expense of the administration is also subject to approval under Rule 3.52. In this regard we will invite the preferential creditors of LLP and SUK, and the unsecured creditors of SUK to decide whether and to what extent the unpaid pre-administration costs should be approved for payment.

Additional information

Connected party transactions

Purchaser	Connection	Date	Price (£)	Transaction
Titan Data Products	Common director	29/10/2018	250	6 Desks with chairs
Titan Data Products	Common director	29/10/2018	100	Printer located at warehouse

Transactions with connected parties

In the period since our appointment some of Plc's assets have been sold to Titan Data Products, who are a connected party.

Prior to undertaking the sales:

- We obtained valuations performed by qualified valuers and from which we are satisfied that the values achieved were appropriate; and
- Having regard to the costs of a sale by auction or similar method and the low value of the goods, we are satisfied that the sales represented the best outcome for the estate.

None of the assets owned by LLP, SUK or TCW have been sold to any connected parties.

Additional information
Case specific matters and Investigations

EU Regulations

As stated in the administration appointment documents, Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of our appointment please contact us as soon as possible using the details on page 4.

Shareholders

We are not obliged to provide further information or reports to shareholders of the Companies. However regular updates will be uploaded to the website set up for the administration at: www.deloitte.com/uk/beta.

Due to the insolvency of the Group and anticipated level of asset realisations compared with the level of creditor liabilities owed by the Group, there is no prospect of a return being made to the shareholders of any of the entities.

Following our appointment, the Group is no longer able to process transfers of shares, nor re-issue unclaimed dividend cheques.

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the Directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

Appendices

Statutory Information - Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for the Companies. The web address is www.deloitte.com/uk/beta.

All documents will be retained on the website which will remain live until two months after the conclusion of the proceedings. Please contact Emily Thorne using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website:

Phone: +44 (0) 121 696 8569

Email: ethorne@deloitte.co.uk

Post: Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.

Plc

Directors' summary Statement of Affairs for Plc

£000s	note	Book value	Estimated to realise
Assets subject to fixed charge			
Book Debts		36,412	25,488
Fixtures, fittings, desks, computers		800	80
Intangible fixed assets		104	-
Motor Vehicles		40	4
Investment in BV		20	uncertain
Investment in TCW		511	uncertain
Less: Amounts due to fixed charge holders		(33,706)	(33,706)
Estimated surplus/(deficiency) to fixed charge holders		4,181	(8,134)
Assets subject to floating charge			
Prepayments		1,652	-
Deposit		21	-
Stock	1	5,600	2,240
Steven Soper loan account		212	uncertain
SGS loan account	2	26	-
Other directors loan account	2	219	uncertain
Intercompany suspense		543	uncertain
The Content Wall Limited loan account		43	uncertain
Lumino loan account		92	uncertain
Optimum loan account		-	uncertain
Beta Services (UK) Limited loan account		1,031	uncertain
Beta Distribution BV loan account		399	uncertain
Estimated total assets available for preferential creditors		14,019	2,240
Preferential creditors			-
Estimated deficiency / surplus to preferential creditors			2,240
Estimated prescribed part of net property	3		-
Estimated total assets available for floating charge holders			2,240
Debt secured by floating charges			(14,207)
Estimated deficiency / surplus after floating charges			(11,967)
Estimated prescribed part of net property (brought down)			-
Total assets available to unsecured creditors			(11,967)
Unsecured non-preferential claims			(22,648)
Estimated deficiency / surplus to creditors			(34,615)
Called up share capital			(2,785)
Estimate deficiency / surplus to members			**(37,400)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www.deloitte.com/uk/beta, including a schedule of the names and addresses of all known creditors. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits or in advance for the supply of goods and services will not be shown.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

Plc Directors' comments

Stock is subject to potential supplier ROT claims. On the basis that the ROT creditors are included in full in the Summary of Liabilities, there has been no adjustment to the stock figure for ROT claims.

Joint Administrators' notes

1. Based on the level of ROT claims against stock, the costs of settling a lien claim, and ongoing charges for stock warehousing, at this stage, the outcome from stock is highly uncertain.
2. Work is ongoing to establish the recoverability of these balances and the individuals involved.
3. The calculation of the prescribed part of net property in the directors' Statement of Affairs is incorrect and should be stated as £451,000.

Members' summary Statement of Affairs of LLP

£000s	Book value	Estimated to realise
Assets subject to fixed charge	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge	-	-
Uncharged assets		
Motor vehicles	70	7
Cash at bank	39	39
Prepayments	438	-
Staff loan accounts	20	Uncertain
PLC loan account	1,002	-
Estimated total assets available for preferential creditors	1,569	46
Preferential creditors		(102)
Estimated deficiency / surplus to preferential creditors		(56)
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		(56)
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		(56)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		(56)
Unsecured non-preferential claims		(1,089)
Estimated deficiency / surplus to creditors		(1,145)
Called up share capital		(16)
Estimate deficiency / surplus to members		**(1,161)**

Joint Administrators' comments

The Members' statement of affairs is available online at www.deloitte.com/uk/beta, including a schedule of the names and addresses of all known creditors. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits or in advance for the supply of goods and services will not be shown.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

SUK

Directors' summary Statement of Affairs of SUK

£000s	Book value	Estimated to realise
Assets subject to fixed charge	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge	-	-
Uncharged assets		
Investments	225	-
Director loan accounts	1,493	Uncertain
Petty cash	-	-
Estimated total assets available for preferential creditors	1,718	-
Preferential creditors		
Estimated deficiency / surplus to preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debt secured by floating charges		
Estimated deficiency / surplus after floating charges		-
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(1,672)
Estimated deficiency / surplus to creditors		(1,672)
Called up share capital		-
Estimate deficiency / surplus to members		**(1,672)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www.deloitte.com/uk/beta, including a schedule of the names and addresses of all known creditors. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits *or in advance for the supply of* goods and services will not be shown.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

SUK Directors' comments

Regarding the investments figure, the following were subsidiary undertakings of SUK:

- Beta Distribution Plc
- Beta Distribution B.V
- Beta Digital Media Solutions Limited (dissolved 8 May 2018)

TCW

Directors' summary Statement of Affairs of TCW

£000s	Book value	Estimated to realise
Assets subject to fixed charge	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge	-	-
Uncharged assets		
Fixtures and Fittings	14	1
Stock	22	9
Cash at Bank	13	-
Prepayments	41	-
Debtors	39	27
Estimated total assets available for preferential creditors	129	37
Preferential creditors		(11)
Estimated deficiency / surplus to preferential creditors		26
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		26
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		26
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		26
Unsecured non-preferential claims		(257)
Estimated deficiency / surplus to creditors		(231)
Called up share capital		(2)
Estimate deficiency / surplus to members		**(233)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www.deloitte.com/uk/beta, including a schedule of the names and addresses of all known creditors. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits or in advance for the supply of goods and services will not be shown.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

Appendices

Appendix C

Plc

Receipts and Payments account

Beta Distribution Plc - In Administration
15 October 2018 to 30 November 2018

£	Statement of Affairs	Notes	Total
Receipts			
Third party income	-	*A*	41,667
Fixtures and Fittings	79,980	*B*	-
Vehicles	4,039	*B*	-
Stock	2,240,000	*C*	105,071
Other debtors	-	*D*	243,747
Book debts	*36,411,654*	*E*	*7,418,367*
Bank interest	-	*F*	3
Total receipts	**38,735,673**		**7,808,855**
Payments			
Intra-Group recharges		*G*	50,000
Lien payments		*H*	42,139
Agents fees' - book debts			34,014
Agents' fees - intangibles			500
Agents' fees - record back up			450
Agents' disbursements			10,283
Telephone charges			3,786
Stock storage			35,391
Post and redirection			1,212
Statutory advertising			169
Rent payable			9,854
Other property expenses			2,356
Irrecoverable VAT		*I*	8,025
Total Payments			**198,179**
Balance in Hand			**7,610,676**
Made up of			
Administration bank account		*F*	270,260
VAT Account		*I*	(16,954)
Trade Creditors			(73,606)
Stock sales account			12,609
LBCF CID trust account		*E*	7,418,367
			7,610,676

Notes to the receipts and payments account

A. A third party had utilised some storage space of the Company's and has paid their debt accrued on that storage space.

B. Proceeds from the sales of chattel assets have not yet been remitted to the administration bank account.

C. Stock sales to date total £136,000, however the proceeds from the most recent sales have not yet been remitted to the Joint Administrators.

D. In the directors' Statement of Affairs, other debtors were noted as "uncertain" recoveries. This receipt relates to a refund from a supplier.

E. Receipts from Plc's book debts are paid directly into the LBCF CID trust account due to the invoices in question having been pledged to LBCF. These assets do not form part of the administration estate, however are shown on the receipts and payments account to reflect progress to date.

F. All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

G. LLP recharges all employee costs to Plc in line with the pre-administration arrangement, accordingly these funds have been transferred to LLP. Further amounts will require to be paid to LLP in respect of employee costs incurred.

H. The third party supplier of Plc's warehousing and logistics had a valid lien claim over stock in its possession to the value of its arrears. It was critical to the ongoing stock sale and ROT claims handling strategy that these services were not discontinued.

I. All sums shown above are shown net of VAT, of which some is irrecoverable and some is payable, and will be accounted for to HM Revenue & Customs in due course.

LLP

Receipts and Payments account

Beta Distribution Employee Services LLP - In Administration

15 October 2018 to 30 November 2018

£	Statement of Affairs	Notes	Total
Receipts			
Payroll funding	-	*A*	50,000
Pre-appt cash at bank	39,287	*B*	33,938
Vehicles	6,961	*C*	21,083
Bank interest	-	*D*	2
Total receipts	**46,248**		**105,024**
Payments			
Wages and salaries			91,301
Bank charges			32
Total Payments			**91,333**
Balance in Hand			**13,691**
Made up of			
Administration bank account		*D*	18,308
VAT Payable		*E*	(4,617)
			13,691

Notes to the receipts and payments account

A. Prior to our appointment LLP recharged all employee costs to Plc and accordingly these funds have been transferred from Plc in order to fund post appointment payroll costs. Further costs require to be recharged from LLP to Plc as a result of ongoing staff costs incurred on Plc's behalf.

B. Pre-appointment cash at bank was misstated on the LLP Statement of Affairs.

C. The sale of motor vehicles has been arranged by SIA, with the receipts shown opposite representing the gross proceeds (cost of sales not yet confirmed).

D. All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

E. All sums shown above are shown net of VAT, which is payable and will be accounted for to HM Revenue & Customs in due course.

SUK

Receipts and Payments account

Beta Services (UK) Limited - In Administration
15 October 2018 to 30 November 2018

£	Statement of Affairs	Notes	Total
Receipts			
	-		-
Total receipts	-		-
Payments			
			-
Total Payments			-
Balance in Hand			-
Made up of			
Administration bank account			-
			-

Notes to the receipts and payments account

As yet no assets are expected to be realised; consequently no bank account has yet been opened and no transactions have occurred.

TCW

Receipts and Payments account

The Content Wall Limited - In Administration
15 October 2018 to 30 November 2018

£	Statement of Affairs	Notes	Total
Receipts			
Fixtures and Fittings	1,405	*A*	-
Stock	8,644	*B*	-
Debtors	27,215	*C*	-
			-
Total receipts	**37,264**		-
Payments			
			-
Total Payments			-
Balance in Hand			-
Made up of			
Administration bank account		*D*	-
			-

Notes to the receipts and payments account

A. No interested parties have been found relating to the Fixtures and Fittings.

B. Work is ongoing to establish the recoverability of TCW's stock.

C. Our work is ongoing to establish the recoverability of TCW's debtor book.

D. All funds will be held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

E. All sums are shown net of VAT, which will be accounted for to HM Revenue & Customs in due course.

Fees Estimates

For purposes of the Fees Estimates, the average rate per hour shown for each work activity is based on a blended rate calculated as a factor of the estimated time that each grade of staff will spend on that activity and their specific charge-out rate.

Time Costs to date

These are shown as the average rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate.

Joint Administrators' Fees Estimates

Our Fees Estimates, detailing the work that we anticipate will need to be undertaken on each case for the duration of our appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete, are provided on the following pages.

The work anticipated to be undertaken has been categorised by activity which we hope is self explanatory. Please also refer to our Post Appointment Strategy on page 11 where we have talked in more detail about specific tasks on these cases.

We have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to the cases, such as asset realisation or dealing with claims.

Time costs incurred to date

As indicated on page 18, we intend to invite the secured creditors of Plc and the preferential creditors of LLP and TCW to fix our fees in each entity on time costs bases. As there are no funds at present in SUK, we may seek a contribution to our costs from LBG/LBCF. However, should funds become available in SUK, we will seek to fix the basis of our remuneration by reference to our time costs incurred in attending to matters arising in the administration with a decision of the unsecured creditors in a decision procedure.

Analysis showing our time costs to 30 November 2018 and the average hourly charge for each category of work undertaken in each entity to 30 November 2018 is also provided in the Fees Estimates on the following pages.

Please note that all partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment is not recorded or recovered. The appropriate staff will be assigned to work on each aspect of the case based upon their seniority and experience, and having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Time is charged in six minute increments.

Plc

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	104.0	585	60,880	1.7	465	791
	Case supervision	389.0	452	175,732	153.3	478	73,253
	Case reviews	86.1	483	41,581	-	-	-
	Case closure matters	51.0	522	26,610	-	-	-
Statutory & compliance	Compliance & IPS diary	45.6	455	20,760	24.2	371	8,973
	Insurance	15.5	535	8,290	0.5	350	175
	General reporting	190.0	658	124,965	70.2	903	63,400
	Regulatory & other legislation	2.4	550	1,320	-	-	-
Initial actions	Appointment matters	25.0	918	22,940	22.7	906	20,571
	Securing assets	9.0	710	6,390	5.8	981	5,687
	Notifications	32.3	533	17,190	17.0	406	6,910
Investigations	CDDA reporting	139.0	624	86,745	-	-	-
	Investigations	537.0	582	312,370	364.5	591	215,489
Total of above categories		**1,625.9**	**557**	**905,773**	**659.9**	**599**	**395,247**
Taxation	Tax	24.5	802	19,650	15.0	1,152	17,286
	VAT	63.9	528	33,749	26.8	760	20,365
Asset realisations	Book debts	344.0	665	228,885	246.2	751	184,996
	Other assets	317.5	620	196,945	264.5	648	171,448
	Property	19.0	502	9,530	-	-	-
	Retention of title	279.0	606	169,020	219.3	494	108,352
Trading	Day 1 control of trading	20.9	593	12,392	18.4	612	11,256
	Ongoing trading	104.0	590	61,310	51.9	869	45,084
	Closure of trade	70.0	573	40,110	45.1	370	16,708
Employees	Correspondence	9.0	562	5,060	5.5	583	3,208
	Pensions	0.5	465	233	-	-	-
Correspondence	Creditors	90.0	483	43,475	70.7	486	34,358
Distributions	Secured creditors	15.5	698	10,825	-	-	-
Total fees estimate		**2,983.7**	**582**	**1,736,956**	**1,623.3**	**621**	**1,008,306**

LLP

Activity		Anticipated Time and Costs per Fees Estimate: Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Actual Time and Costs for Report Period: Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	28.6	545	15,594	0.7	465	326
	Case supervision	33.2	556	18,472	15.2	278	4,230
	Case reviews	8.4	483	4,056	0.5	1,010	505
	Case closure matters	8.5	522	4,435	-	-	-
Statutory & compliance	Compliance & IPS diary	10.8	528	5,700	6.9	350	2,415
	Insurance	15.5	535	8,290	0.4	350	140
	General reporting	53.5	545	29,165	0.3	350	105
	Regulatory & other legislation	2.4	550	1,320	-	-	-
Initial actions	Appointment matters	3.5	673	2,355	1.5	230	345
	Securing assets	23.4	673	15,745	2.5	840	2,100
	Notifications	31.8	532	16,895	13.4	395	5,290
Investigations	CDDA reporting	25.0	557	13,930	-	-	-
	Investigations	17.0	564	9,590	-	-	-
Total of above categories		**261.6**	**556**	**145,547**	**41.4**	**373**	**15,456**
Taxation	Tax	3.7	494	1,827	-	-	-
	VAT	15.9	420	6,672	-	-	-
Asset Realisations	Chattel assets	20.0	787	15,730	8.5	590	5,015
	Other assets	16.0	623	9,965	-	-	-
Trading	Ongoing trading	64.0	540	34,530	28.3	614	17,372
Employees	Consultation	30.5	527	16,080	-	-	-
	Correspondence	80.0	542	43,320	61.0	589	35,928
	Employment tribunals	3.0	590	1,770	-	-	-
	Pensions	35.5	500	17,758	7.5	590	4,425
Correspondence	Creditors	28.3	424	11,981	-	-	-
Total fees estimate		**558.4**	**547**	**305,180**	**146.7**	**533**	**78,195**

SUK

Activity		Anticipated Time and Costs per Fees: Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Actual Time and Costs for Report: Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	6.0	335	2,010	3.3	465	1,535
	Case supervision	28.8	309	8,892	14.6	275	4,020
	Case reviews	8.4	240	2,016	-	-	-
	Case closure matters	8.5	265	2,255	-	-	-
Statutory & compliance	Compliance & IPS diary	10.8	274	2,964	7.0	350	2,450
	Insurance	4.0	283	1,130	-	-	-
	General reporting	53.5	283	15,165	7.5	350	2,625
	Regulatory & other legislation	2.4	290	696	-	-	-
Initial actions	Appointment matters	2.5	346	865	1.5	230	345
	Notifications	9.5	355	3,375	6.2	447	2,770
Investigations	CDDA reporting	24.0	278	6,680	-	-	-
	Investigations	13.0	362	4,710	-	-	-
Total of above categories		**171.4**	**296**	**50,758**	**40.1**	**343**	**13,745**
Taxation	Tax	3.7	248	919	-	-	-
	VAT	17.5	196	3,437	-	-	-
Correspondence	Shareholders	1.2	260	312	-	-	-
Total fees estimate		**193.8**	**286**	**55,426**	**40.1**	**343**	**13,745**

TCW

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	15.6	590	9,204	0.3	465	140
	Case supervision	31.0	561	17,396	17.1	286	4,895
	Case reviews	8.4	483	4,056	-	-	-
	Case closure matters	8.5	522	4,435	-	-	-
Statutory & compliance	Compliance & IPS diary	10.8	528	5,700	9.4	350	3,290
	Insurance	10.0	476	4,760	-	-	-
	General reporting	53.5	545	29,165	0.3	350	105
	Regulatory & other legislation	2.4	550	1,320	-	-	-
Initial actions	Appointment matters	3.5	673	2,355	1.5	230	345
	Securing assets	22.0	644	14,170	-	-	-
	Notifications	29.2	503	14,685	13.4	395	5,290
Investigations	CDDA reporting	19.0	644	12,230	-	-	-
	Investigations	19.0	642	12,205	-	-	-
Total of above categories		**232.9**	**565**	**131,681**	**42.0**	**335**	**14,065**
Taxation	Tax	3.7	494	1,827	-	-	-
	VAT	17.5	419	7,333	-	-	-
Asset realisations	Other assets	23.5	632	14,845	-	-	-
Trading	Day 1 control of trading	12.0	650	7,800	3.5	590	2,065
Employees	Correspondence	20.4	487	9,941	13.0	590	7,670
	Pensions	8.5	467	3,973	-	-	-
Correspondence	Creditors	12.0	385	4,614	2.1	350	735
	Shareholders	0.8	465	372	-	-	-
Total fees estimate		**331.3**	**551**	**182,386**	**60.6**	**405**	**24,535**

Disbursements

Disbursements

These are costs and expenses initially paid by us and for which we will seek reimbursement as and when funds permit.

We estimate that the following disbursements are likely to be incurred in relation to the administrations of Plc and LLP. The only costs incurred in SUK and TCW are £20.00 of Insolvency Bordereau insurance each (Category 1). No further costs are expected.

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required.

Our estimate of Category 1 disbursements is given below, all figures are shown excluding VAT.

Plc:

Category 1 disbursements

£ (net)	Estimated	Incurred in report period	Paid	Unpaid
Travel	3,000	2,422	-	2,422
Subsistance	1,000	613	-	613
Webhosting and IP	200	108	-	108
Accommodation	7,000	5,652	-	5,652
Telephone	100	-	-	-
Postage/Couriers	100	13	-	13
Specific Penalty Bond	230	230	-	230
Total disbursements	**11,630**	**9,039**	**-**	**9,039**

LLP:

Category 1 disbursements

£ (net)	Estimated	Incurred in report period	Paid	Unpaid
Travel	1,000	577	-	577
Subsistance	40	35	-	35
Accommodation	800	231	-	231
Telephone	100	-	-	-
Postage/Couriers	1,300	824	-	824
Specific Penalty Bond	20	20	-	20
Total disbursements	**3,260**	**1,687**	**-**	**1,687**

Category 2 disbursements

These are costs and expenses which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estate.

Our estimate of Category 2 disbursements is given below, all figures are shown exclusive of VAT.

Plc:

Category 2 disbursements

£ (net)	Estimated	Incurred in report period	Paid	Unpaid
Mileage	50	34	-	34
Website set up	500	500	-	500
Total disbursements	**550**	**534**	**-**	**534**

LLP:

Category 2 disbursements

£ (net)	Estimated	Incurred in report period	Paid	Unpaid
Mileage	70	-	-	-
Total disbursements	**70**	**-**	**-**	**-**

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointments. There is only one charge for the entire Group and this cost has been assigned to Plc.

Joint Administrators' proposals

Our proposals will be deemed approved on 20 December 2018 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured and / or preferential creditors as appropriate for each of the Companies:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 40) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate.
4. In Plc only - Approval that the Joint Administrators' pre administration fees and expenses totalling £69,326 (excluding VAT) as detailed on page 21 of the Joint Administrators' proposals be approved and that the Joint Administrators be authorised to draw their pre-administration fees and expenses, plus VAT, from the Plc administration estate.
5. In LLP, SUK and TCW - that the pre administration costs of CMS as detailed on page 21 (LLP: £4,358, SUK: £3,494, TCW: £4,045, excluding VAT) be approved and that the Joint Administrators be authorised to pay these amounts, plus VAT, should the administration estate funds in each entity allow it.
6. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed in any of the Companies unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 1 of the proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed.

Appendices

Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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