

Rule 1.29

The Insolvency Act 1986

Notice of Completion or termination of Voluntary Arrangement

R.1.29

Pursuant to Rule 1.29 of the
Insolvency Rules 1986

To the Registrar of Companies

For official use

Company number

3877786

Name of Company

Insert full name(s) of
company

sit-up Limited

Insert full name and
address

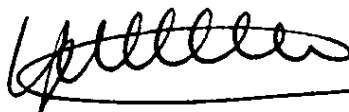
We Will Wright
of KPMG LLP
One Snow Hill
Queensway
Birmingham B4 6GH

Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS

Insert date

the supervisors of a voluntary arrangement approved on 18 March 2014 enclose a copy of our notice to the creditors and members of the above-named company that the voluntary arrangement has been terminated, together with a report of our receipts and payments

Signed



Dated

24 April 2014

Presenter's name, address
and reference (if any)

Julie Wilby
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

For Official Use

Insolvency section

Post room

SATURDAY



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A32

26/04/2014

#258

COMPANIES HOUSE



**sit-up Limited (under a Company
Voluntary Arrangement)**

**Supervisors' final report to
creditors pursuant to Rules
1.26A(2) and 1.29 of the
Insolvency Rules 1986**

KPMG LLP

24 April 2014

WW/PC/JW



sit-up Limited (under a Company Voluntary Arrangement)
Supervisors' final report to creditors pursuant to Rules 1 26A(2) and 1 29 of the Insolvency
Rules 1986
KPMG LLP
24 April 2014

Notice: about this report

This report has been prepared by Will Wright and Brian Green as the Joint Supervisors of the Company Voluntary Arrangement of sit-up Limited, solely to comply with their statutory duty to report to members and creditors under Rules 1 26A(2) and 1 29 of the Insolvency Rules 1986

It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This report 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 sit-up Limited or other companies in the same group

To the fullest extent permitted by law, the Joint Supervisors do not assume any responsibility and will not accept any liability in respect of this report to any such person. Will Wright and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

The appointments of the Joint Supervisors are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Company Voluntary Arrangement



sit-up Limited (under a Company Voluntary Arrangement)
Supervisors' final report to creditors pursuant to Rules 1 26A(2) and 1 29 of the Insolvency
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KPMG LLP
24 April 2014

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1 Introduction

Will Wright and Brian Green were appointed Joint Supervisors of the Company Voluntary Arrangement ("CVA") of sit-up Limited ("the Company") on 18 March 2014

2 Purpose of proposal

The principal objectives of the CVA proposal were

- To allow the Company to reduce its fixed costs base to restore the business to a viable position,
- To allow the Company to compromise historic liabilities and any damages arising from contracts which could not be renegotiated

The key terms of the Proposal (capitalised terms used in which shall have the same meaning in this notice) were

- To create a Negotiation Window in order to allow the Company to attempt to reach settlements with its Platform Creditors and Business Critical Infrastructure Creditors in relation to both Other Liabilities in addition to ongoing/future contract rates/pricing,
- To compromise any Contract Damages Liabilities arising from early termination of any Ordinary Creditor Arrangement including any on which the Company was unable to reach settlements,
- To compromise Other Liabilities,
- To compensate Other Liabilities by way of dividend payment from a fund (the Compromised Creditors Compensation Fund) into which the Company was to pay an amount of £600,000,
- To compromise the claims of Compromised Employee Creditors,
- To compensate the Compromised Employee Creditors by way of dividend payment from the Compromised Creditors Compensation Fund,
- To compromise Contingent Creditor Liabilities for £1, and
- To meet Current Liabilities under normal trading terms Current Liabilities were accordingly excluded from the CVA

There has been no modification to the Proposal as it originally took effect

3 Termination

The Company has experienced trading difficulties in the period since the approval of the CVA. While the Company made good progress in agreeing revised terms with its Platform and Business Critical Infrastructure Creditors, it had not been able to reach agreements with three key suppliers at the end of the Negotiation Window. Due to the deterioration in the Company's cash position, the Director felt unable to exercise the option to extend the Negotiation Window in accordance with the CVA.

On 17 April 2014, Will Wright and Allan Graham were appointed Joint Administrators over the Company.

In accordance with Clause 20.3 of Part 5 of the Proposal, the appointment of the Joint Administrators resulted in the termination of the CVA.

No funds were paid to the Trustee of the sit-up Limited Compromised Creditors Discretionary Trust prior to the administration and therefore there will be no payment to compromised creditors in this respect.

4 Receipts and payments

Due to the nature of the terms of the CVA, as detailed above, the Supervisors have had no receipts and made no payments in respect of the CVA. A receipts and payments account is attached at Appendix 1.

5 Prescribed part

As outlined in paragraph 6.1 of Schedule 3 of the Proposal, the prescribed part which arises pursuant to section 176A of the Insolvency Act 1986, is not relevant because the CVA did not involve a realisation of assets.

6 Joint Supervisors' fees, time costs and expenses

In accordance with the terms of the CVA proposal the Joint Supervisors' remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the CVA. Attached as Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out for the period 18 March 2014 to 16 April 2014, as required by the Association of Business Recovery Professionals' *Statement of Insolvency Practice No 9* together with details of expenses incurred to date.



In the period from 18 March to 16 April 2014, the Joint Supervisors incurred time costs of £71,818 75 representing 186 hours at an average hourly rate of £387

This includes tax and VAT advice from KPMG LLP in-house specialists

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

A creditors' guide to fees can be found at

http://www.r3.org.uk/media/documents/technical_library/Guides_to/Guide_to_Voluntary_Arrangement_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy then please contact Stephen Morrin on 0207 311 4370

No fees were paid by the Company. As the Company has now been placed into administration, the Joint Supervisors' unbilled time costs and expenses will be written off



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7 Conclusion

The Company Voluntary Arrangement as set out in the Proposal has failed and as such this is the Joint Supervisors' final report

If you have any queries concerning the final report, please contact Julie Wilby on 0207 694 3291

Yours faithfully

Will Wright
Joint Supervisor



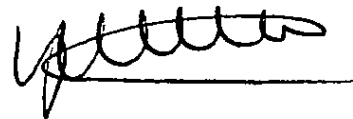
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24 April 2014

Appendix 1: Joint Supervisors' receipts and payments for 18 March to 24 April 2014

**Voluntary Arrangement of
sit-up Limited**

Statement of Affairs	From 18/03/2014 To 24/04/2014	From 18/03/2014 To 24/04/2014
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>

Note



William James Wright
Supervisor



sit-up Limited (under a Company Voluntary Arrangement)
Supervisors' final report to creditors pursuant to Rules 1 26A(2) and 1 29 of the Insolvency
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KPMG LLP
24 April 2014

Appendix 2 – Joint Supervisors' time costs and charge out rates from 18 March to 16 April 2014



sit-up Limited (under a Company Voluntary Arrangement)
Supervisors' final report to creditors pursuant to Rules 1 26A(2) and 1 29 of the Insolvency
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24 April 2014

Appendix 2 - SIP 9 - Time costs analysis (18/03/2014 to 16/04/2014)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Statutory and compliance							
Appointment and related formalities	5 00	49 60	27 60		82 20	29,247 00	355 80
Pre-appointment checks		8 70		3 00	11 70	3,709 50	317 05
Strategy documents		1 20			1 20	462 00	385 00
Tax							
Initial reviews - CT and VAT				0 50	0 50	97 50	195 00
Post appointment corporation tax		1 60			1 60	616 00	385 00
Creditors							
Creditors and claims							
Agreement of unsecured claims		8 50			8 50	3,272 50	385 00
General correspondence		45 45			45.45	18,924 75	416 39
Statutory reports	7 00	12 65			19 65	9,243 75	470 42
Employees							
Correspondence	1 50	2 40	4 80		8 70	3,223 50	370 52
DTI redundancy payments service			0 90		0 90	238 50	265 00
Pensions reviews		0 50			0 50	192 50	385 00
Realisation of assets							
Asset Realisation							
Health & safety			0 25		0 25	48 75	195 00
Sale of business	4 50				4 50	2,542 50	565 00
Total in period	18 00	130 60	34 05	3 00	185.65	71,818 75	386 85

Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	185 65	71,818 75
Carry forward time (appointment date to SIP 9 period end date)	185 65	71,818 75



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Charge out rates

Grade	£
Partner	565
Director	485
Senior Manager	475
Manager	385
Assistant Manager	265
Administrator	195
Support	120



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24 April 2014

Appendix 3: notice of termination of CVA

IN THE HIGH COURT OF JUSTICE

No. 264 of 2014

CHANCERY DIVISION

LEEDS DISTRICT REGISTRY

IN THE MATTER OF:

SIT-UP LIMITED

(the "Company")

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986 (as amended)

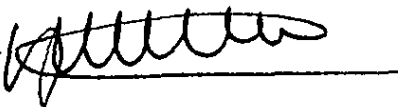
NOTICE OF TERMINATION

TO: THE COMPANY & ALL CREDITORS

DATE: 24 April 2014

Notice is hereby given in accordance with Clause 20 (*Completion or termination of the CVA*) of Part 5 of the Director's proposal for a Company Voluntary Arrangement in respect of the Company dated 26 February 2014 (the "**Proposal**") (capitalised terms used in which shall have the same meaning in this notice) that

Clause 20 3 (*Completion or termination of the CVA*) of Part 5 of the Proposal states that if the Company goes into administration, the CVA shall terminate. On 17 April 2014 the Company was placed into administration and therefore, pursuant to Clause 20 3 the CVA shall with effect from the date hereof be deemed terminated



Will Wright

Joint Supervisor