

The Insolvency Act 1986

Statement of administrators' proposals

Name of Company sit-up Limited	Company number 03877786
In the Leeds District Registry [full name of court]	Court case number 435 of 2014

We William James Wright
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham, B4 6GH
United Kingdom

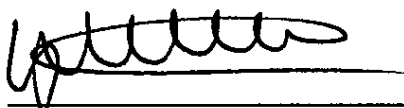
Allan Watson Graham
KPMG
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

6 June 2014

Signed


Joint Administrator

Dated

6 June 2014

Contact Details:

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

Kirsty Laurie
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
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DX Number DX 38050 Blackfriars

Tel 020 73118381
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

MONDAY



A21 09/06/2014 #101
COMPANIES HOUSE



sit-up Limited - in Administration

Joint Administrators' proposals

6 June 2014

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in the document such as the proposed basis of our remuneration

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Please also note that an important legal notice about this statement of proposals is attached (Appendix 6)



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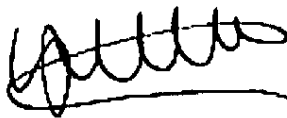
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1 Executive summary

- The Company entered a CVA on 18 March 2014 Will Wright and Brian Green were appointed Joint Supervisors of the CVA (Section 2 – Background and events leading to the administration)
- It proved not possible to reach new agreements with three key critical suppliers as part of the CVA Negotiation Window Consequently, as a result, the Director concluded that the Company could no longer continue to trade
- On 17 April 2014 the Director appointed us – Will Wright and Allan Graham – as Joint Administrators of the Company (Section 2 - Background and events leading to the administration)
- It was not feasible for the Company to continue trading in administration We ceased all Company operations immediately on appointment and instructed agents to assist with the sale of the Company's assets (Section 3 - Strategy and progress of the administration to date)
- We anticipate that the Secured Creditor will be repaid in full (Section 4 - Dividend prospects)
- We also expect that the preferential creditors will be repaid in full (Section 4 - Dividend prospects)
- There will also be a distribution to the unsecured creditors but we have yet to determine the amount of this (Section 4 - Dividend prospects)
- We anticipate that the most likely exit route for the administration will be dissolution (Section 5 - Ending the administration)
- We are convening a meeting of creditors (Section 6 - Creditors' meeting)
- We propose that our remuneration be drawn on the basis of time properly given by us and the various grades of our staff We will seek approval of this from the unsecured creditors at the meeting (Section 7 - Joint Administrators' remuneration and disbursements)
- This document in its entirety is our statement of proposals A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT



Will Wright
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was incorporated on 11 November 1999. It launched its first shopping channel, bid-up TV in 2000. In 2003 the Company launched its second channel, price-drop TV. The success of this format led to the rebranding of bid-up TV to bid TV. The channels were live interactive television and internet channels available on all major satellite and freeview platforms as well as online.

In 2005 the business was acquired by Telewest shortly before that company's merger with NTL and subsequent rebranding as Virgin Media.

In 2009 the business was acquired by Aurelius AG. A year later the business launched its Ocean Tree Trading store on ebay. The business launched its Amazon and Play.com stores in 2012.

At the date of our appointment, the Company had 226 employees and 60 freelancers.

It operated from two leasehold premises in Acton, London.

2.2 Funding and financial position of the Company

At the date of our appointment, the amount outstanding to the Secured Creditor was £525,000. This excludes interest and other charges which may continue to accrue. This funding is secured by a debenture dated 6 January 2014 which contains both fixed and floating charges over the Company's assets.

In the year ended 31 December 2008, the Company reported a turnover of approximately £240 million. Over the next four years the Company suffered a steep decline in turnover and the draft accounts for the year ended 2012 show that sales had fallen to £118 million. The management accounts for 2013 showed a further deterioration in turnover to £94 million, giving rise to an operating loss of £20 million.

In May 2013, the Company sought professional advice on its financial position and the available options, including a sale of the Company and/or some or all of its business and assets. As a result of this sales process, on 19 December 2013, the Company was acquired by Tnui Capital (No 3) LLP.

2.3 Events leading to the administration

Following the acquisition the Company made significant changes to its operations including

- replacing the existing board with a new Director, Jonathan Camp,
- recruiting, on a consultancy basis, Ken McFadyen (former chief operating officer of Cable and Wireless), Paul Wright (former CEO of Ideal World TV) and Val Kaye (former director of Ideal World TV),
- moving the buying/merchandising branch to the same premises as the production studio,
- tightening the corporate governance to reduce/eliminate the number of complaints to the Advertising Standards Authority,
- rigorously reviewing its pricing strategy, and
- implementing a strategic plan to reinvigorate the business.



In addition, the Company also sought to restructure the business to reduce its fixed cost base and restore the business to viability. The new management team wanted to achieve a consensual restructuring and thereby avoid a formal insolvency process. However, whilst the majority of the Company's suppliers were supportive, a small number threatened to issue winding up proceedings which left the Company with little option but to propose a CVA.

On 7 February 2014, KPMG LLP was engaged by sit-up Limited to conduct a feasibility study in preparation for the launch of the CVA proposal.

The CVA was launched on 28 February 2014. In summary, the terms of the CVA were to

- Create a one month Negotiation Window to allow the Company to seek settlements with its key suppliers,
- Compromise the pre-acquisition liabilities of the general body of creditors, including a handful of Compromised Employees (which would rank for a one-off dividend from a £600,000 Compensation Fund),
- Meet the Current Liabilities (ie post-acquisition liabilities) in full in the normal course of business, and
- Exclude the liabilities to all other employees and freelancers from the CVA as these were to be paid as normal.

We - Will Wright and Brian Green - were appointed Joint Supervisors of the CVA at the creditors' meeting on 18 March 2014. Of the creditors present and voting at the meeting, 99% chose to accept the CVA.

Immediately prior to the CVA meeting, the Company launched a rebrand of the bid TV channel as the management team had previously noted that the bid TV concept had become obsolete. Shortly following this, the price-drop TV channel was also re-launched to achieve a more interactive customer experience where the price dropped following participants' bids. The management team saw this rebranding as essential to reverse the Company's fall in sales and profitability. The new concept was based on the successful strategies of its competitors.

Also in March 2014 one of the channel operators decided not to continue working with the Company, and the Company therefore had to switch to an alternative operator. This occurred about the same time as the rebranding of bid TV. As a result of this switch customers were required to re-tune their televisions in order to continue receiving the bid TV and price-drop TV channels. The Director later estimated that about 70% of the Company's audience was lost as part of that process (ie many customers did not re-tune). However, the management team anticipated that customers would return in due course, particularly with the football world cup being a catalyst for television sales.

In early April 2014, the Company's cash position was becoming critical. In a number of cases, negotiations with its key creditors had to be re-positioned and although the majority of discussions were successful (in either agreeing new terms or establishing replacement supplies), three key suppliers were unable to agree the revised terms on offer before the expiry of the CVA Negotiation Window. In view of the deteriorating cash position brought about by the fall in sales, the Director did not feel that exercising the Company's option in the CVA to extend the Negotiation Window was appropriate. The Secured Creditor confirmed that funding would not be made available in the absence of those agreements therefore the Director appointed us as Joint Administrators at 3.30pm on Thursday 17 April 2014.

Prior professional relationship with KPMG

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.



We are satisfied that the work carried out by KPMG before our appointment has not resulted in any relationships which create a conflict of interest or which threaten our independence

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics

2.4 Appointment of Joint Administrators

The Director resolved on 8 April 2014 to appoint us as Joint Administrators

The notice of appointment was lodged at the Leeds District Registry on 17 April 2014 and we were duly appointed

3 Strategy and progress of the administration to date

3.1 Strategy to date

We determined that it was not feasible for the Company to continue trading in administration

Consequently, on 17 April 2014 the Company ceased all operations and we made all but five employees redundant. We retained the remaining employees solely to assist with the orderly winding up of the Company's affairs. We made them redundant on 30 April 2014.

The assets of the Company are to be sold on a break-up basis. We liaised with management, solicitors, specialised agents and potentially interested parties immediately.

Separate agents were instructed to identify and value the Company's tangible assets and assist with their disposal.

We also made early contact with the merchant banking provider in order to quantify and protect the £500,000 deposit held by them.

The majority of the Company's stock was held at a third party warehouse and we initiated discussions with this supplier in order to release these assets.

3.2 Asset realisations

Realisations from the date of our appointment to 30 May 2014 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Channel slots

The Company broadcast its channels via two LCN slots on freeview television and two EPG slots on satellite television. These slots were operated under Service Agreements with Digital UK and BSkyB respectively.

On appointment, we entered into lengthy discussions with both Digital UK and BSkyB in order to protect the value of the assets and establish a mechanism for a transfer to a new Purchaser.



Given the highly specialist nature of these assets, we instructed experienced agents Canis LLP to assist us with the execution of an accelerated sales process. The window to identify a purchaser, negotiate a sale and complete the transfer was extremely small for the reasons set out below

- there were significant amounts owing to Digital UK and BSkyB and it was not commercially viable to pay these as an expense of the administration,
- the Company had ceased broadcasting and this set the clock ticking on a termination clause in the agreements, and
- The fact that the Company had entered formal insolvency also triggered a termination clause in the agreements

We therefore set the deadline for final offers at 8 May 2014 which we later extended to 13 May 2014. The sales process generated offers from several interested parties

As a result of the legal structure it was not possible to realise value for the LCN slots. However, the first EPG slot was sold on 16 May 2014 for £530,000 plus VAT and a sale agreement for the second EPG slot was entered into on 23 May 2014 with consideration being received on 27 May 2014 of £115,000 plus VAT with completion taking effect on 25 June 2014

Cash at bank

As at the date of our appointment, the Company had cash balances in its accounts totalling c £636,000

Debtors

At the date of our appointment, the Company's accounts showed debtors totalling c £333,000

Vodafone, the largest debtor, had a revenue share agreement with the Company whereby it owed the Company a proportion of the income generated by the Company's incoming telephone calls. The amounts due for February, March and April 2014 totalled c £236,500. We confirm that these amounts have now been received into the administration

To date, we have realised book debts totalling £242,271. We are aware of amounts that are in dispute but we continue to pursue the remaining debtor balances and will provide a further update in our next report

Merchant services

A balance of c £671,000 is held by the Company's merchant acquiring provider against charge back claims from customers on their credit cards

We are liaising with the merchant acquirer to recover this balance. However, we anticipate that the balance will be reduced by claims from customers who have not received the goods they have ordered

In order to reduce the number of these claims we negotiated with Norbert Dentressangle and Royal Mail that approximately 3,000 items that were picked for despatch on 17 April 2014 but not sent out be released from the warehouse and posted to customers

It is currently uncertain how much we will recover from the merchant acquirer at this stage



Leasehold property

The Company operated from two leasehold premises being the offices at 74 Stanley Gardens, Acton, London, W3 7QE and the production studios at Unit 11, Acton Park Estate, Eastman Road, London, W3 7QE. Valuation agents JLL have reviewed the Company's interest in these leases and confirmed that they have no realisable value.

As part of the sale agreement for the fixtures, fittings, equipment and part of the stock (see below), the purchaser has entered the premises at Unit 11 on a short-term licence with a view to entering into a new lease. This arrangement may reduce the overall liability owed to the landlord and, consequently, reduce any unsecured claim the landlord may make against the Company.

Fixtures, fittings, furniture and studio equipment

We instructed valuation agents, Agentcite, to prepare an inventory of the Company's assets and undertake a valuation on both an in-situ and break-up basis. The realisable value for this group of assets is estimated at c £451,000 (in-situ) and c £109,000 (break-up).

Agentcite also assisted us to produce a register of the Company's assets, identify potential purchasers and collate offers received from interested parties.

On 30 May 2014, the fixtures, fittings, furniture and studio equipment was sold for £205,000 plus VAT. This sum is currently held in Escrow with our solicitors and is therefore not included in the Administrators' receipts and payments account (Appendix 2).

Stock

According to the Company's records, it held stock with a total value of c £3.2 million. The majority of this stock was held in a warehouse in Tamworth operated by Norbert Dentressangle, and the balance of the stock was held on site at Unit 11, Acton Park Estate.

Our agents valued the Company's stock at £160,000 on a break-up basis, not accounting for ROT claims.

We received a number of offers for the stock and/or the office furniture and studio equipment and worked with Agentcite to establish the best value for creditors.

On 30 May 2014, as part of a wider transaction for the fixtures, equipment, etc, we agreed a sale of the stock held at Unit 11. The sum of £20,000 was paid for this stock and, as above, the sale proceeds are currently held in Escrow with our solicitors.

Following expressions of interest from over 20 interested parties, the stock held at the Tamworth warehouse was sold on 20 May 2014 for the sum of £235,000 plus VAT. Again, this amount is still held by our solicitors and is not included in attached receipts and payments account.

Since our appointment, we received a number of ROT claims from suppliers who provided stock to the Company. As part of the sale agreement for the stock, the purchasers are now responsible for any outstanding ROT claims.

Other assets

We are aware that the Company has other assets including bonds with the Royal Mail and Parcel Force, and rent prepayments/deposits with the landlords. We are currently investigating the prospect of recovering value from these assets.



Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors

We are also looking into connected party transactions undertaken in the two years before the administration

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Julie Wilby at KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB, United Kingdom

3.3 Costs

Payments made from the date of our appointment to 30 May 2014 are set out in the attached receipts and payments account (Appendix 2)

Summaries of the most significant payments made to date are provided below

Wages and salaries

As mentioned above, we retained the services of five employees for a short period to assist us with the orderly wind-down of the Company's affairs. The cost totalled £7,346 plus £7,269 in PAYE/NIC

Subcontractors

The sum of £1,750 was paid to a former employee of the Company to assist with the download of data from the Company's servers. This was a necessary part of the wind-down of the Company's affairs

Agents' fees

We engaged Agentcite to assist with asset valuation and disposal, and JLL to consider property matters. Canis LLP were engaged to support the EPG sale process

No fees have yet been paid to any agent

Solicitors' fees

Gateley LLP have been appointed to advise us on legal matters arising in the administration

No solicitors' fees have yet been paid

4 Dividend prospects

4.1 Secured Creditor

As mentioned above, the amount outstanding to the Secured Creditor at the date of our appointment was £525,000. This figure does not include interest and other charges which may continue to accrue. The Secured Creditor had agreed to provide a total funding facility of £6 million. This funding is secured by a debenture dated 6 January 2014 which contains both fixed and floating charges over the Company's assets

We are currently reviewing, in conjunction with our legal advisors, the validity of the fixed and floating charges



We currently estimate that the Secured Creditor will be paid in full from the Company's assets although no distribution has yet been made

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially

We estimate the amount of preferential claims at the date of our appointment to be £120,000

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any distribution is dependent upon the realisations and associated costs of the administration

4.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course

However, at this stage we anticipate that the most likely exit route will be dissolution

5.2 Discharge from liability

We propose to seek approval from the unsecured creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us

See Section 6.1 for details regarding the meeting of creditors

6 Approval of proposals and creditors' meeting

6.1 Creditors' meeting

Notice of a meeting of creditors to be held on 23 June 2014 is attached to the covering letter. We are convening it in order to present our statement of proposals



Creditors' Committee

A Creditors' Committee will be formed if sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- the basis of our remuneration
- the drawing of Category 2 disbursements
- our discharge from liability in respect of any actions as Joint Administrators

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

6.2 Resolutions

Creditors will be asked to vote on the following matters at the initial meeting of creditors:

- our proposals,
- the formation of a Creditors' Committee

If a Creditors' Committee is not formed the approvals in Section 6.1 which would have been considered by the Creditors' Committee will be voted on by the creditors.

7 Joint Administrators' remuneration and disbursements

7.1 Approval of the basis of remuneration and disbursements

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should a Creditors' Committee be formed at the creditors' meeting, we will seek to obtain approval from the Creditors' Committee that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3,
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 3.

If a Creditors' Committee is not formed, the creditors represented at the meeting in person or by proxy will be asked to vote on the resolutions with regards to our remuneration and drawing of Category 2 disbursements.



Time costs

From the date of our appointment to 30 May 2014, we have incurred time costs of £379,953. These represent 1,145 hours at an average rate of £332 per hour.

Disbursements

We have incurred disbursements of £791 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 30 May 2014. We have also attached our charging and disbursements recovery policy.

Where a creditors' voluntary liquidation is the exit route for the administration and if we are appointed as Joint Liquidators, the basis of remuneration which is approved for the administration will continue to apply in the creditors' voluntary liquidation.

8 Summary of proposals

Due to the refusal of three key suppliers to continue supporting the Company and the lack of funding, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above,
- to investigate and, if appropriate, to pursue any claims the Company may have,
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow,
- to apply to the Court for the authority to make a distribution to unsecured creditors if funds become available.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors,
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for



approval as appropriate. However, we do not anticipate this exit route being appropriate in this case,

- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, William Wright and Allan Graham, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved,
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Will Wright and Allan Graham, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together,
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3,
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 3.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.



Appendix 1 Statutory information

Company information

Company and Trading name	sit-up Limited
Date of incorporation	11 November 1999
Company registration number	3877786
Trading address	Unit 11, Acton Park Estate, Acton, W3 7QE
Previous registered office	Unit 11, Acton Park Estate, Acton, W3 7QE
Present registered office	8 Salisbury Square, London, EC4Y 8BB
Company Director	Jonathan Camp
Company Secretary	Bryan Norman Crenol

Administration information

Administration appointment	The administration appointment granted in Leeds District Registry, 435 of 2014
Appointor	The Director
Date of appointment	17 April 2014
Joint Administrators	Will Wright and Allan Graham
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	16 April 2015
Prescribed Part	The Prescribed Part is applicable on this case It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4 3)
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £1,221,000 Estimated Prescribed Part is £247,000
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply Accordingly, the Joint Administrators intend to apply to Court for the authority to make a distribution to the unsecured creditors
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations



Appendix 2 Joint Administrators' receipts and payments account

sit-up Limited - in Administration

Joint Administrators' abstract of receipts & payments

Statement of affairs (£)		From 17/04/2014 To 30/05/2014 (£)	From 17/04/2014 To 30/05/2014 (£)
ASSET REALISATIONS			
	Channels	645,000 00	645,000 00
8,314 00	Furniture & equipment	NIL	NIL
232,525 00	Stock	NIL	NIL
239,674 00	Book debts	242,271 69	242,271 69
1,037,419 00	Cash at bank	636,231 18	636,231 18
		1,523,502 87	1,523,502 87
OTHER REALISATIONS			
	Bank interest, gross	0 13	0 13
70,075 00	Rent deposits and other bonds	NIL	NIL
	Sundry refunds	1,590 28	1,590 28
183,838 00	Prepayments	NIL	NIL
102,266 00	Outstanding despatches	NIL	NIL
		1,590 41	1,590 41
COST OF REALISATIONS			
	Subcontractors	(1,750 00)	(1,750 00)
	sundry expenses	(1,000 00)	(1,000 00)
	Re-direction of mail	(350 00)	(350 00)
	Statutory advertising	(84 60)	(84 60)
	Wages & salaries	(7,346 24)	(7,346 24)
	PAYE & NIC	(7,269 05)	(7,269 05)
	Bank charges	(43 00)	(43 00)
		(17,842 89)	(17,842 89)
PREFERENTIAL CREDITORS			
(108,367 00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(525,000 00)	Floating charge	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(19,413,519 32)	Trade & expense	NIL	NIL
(642,410 22)	Corp tax etc/nonpref PAYE	NIL	NIL
(184,768 56)	Non-preferential VAT	NIL	NIL
		NIL	NIL



sit-up Limited - in Administration

Joint Administrators' abstract of receipts & payments

Statement of affairs (£)		From 17/04/2014 To 30/05/2014 (£)	From 17/04/2014 To 30/05/2014 (£)
DISTRIBUTIONS			
(125,631 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(19,125,585 10)		1,507,250 39	1,507,250 39
REPRESENTED BY			
	Floating ch VAT rec'able		229 42
	Floating charge current		1,636,020 97
	Floating ch VAT payable		(129,000 00)
		1,507,250 39	1,507,250 39



Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov_2011.pdf

If you are unable to access this guide and would like a copy, please contact Julie Wilby on 020 76943291.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

The hourly charge-out rates we use might periodically rise over the period of the administration, for example to cover annual inflationary cost increases. In our next statutory report, we will inform creditors of any such material changes to these rates.

Charge-out rates (£) for: Restructuring

Grade	From 01 Oct 2013 £/hr
Partner	565
Director	485
Senior Manager	475
Manager	385
Senior Administrator	265
Administrator	195
Support	120



Charge-out rates (£) for: Tax

Grade	From 01 Oct 2013 £/hr
Partner	900
Director	805
Senior Manager	705
Manager	480
Senior Administrator	350
Administrator	245
Support	280

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

We have incurred the following disbursements during the period 17 April 2014 to 30 May 2014

SIP 9 - Disbursements

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals	110 66		NIL		110 66
Mileage	NIL		205 30		205.30
Professional and legal fees	85 00		NIL		85 00
Rates	11 00		NIL		11 00
Travel	379 10		NIL		379 10
Total	585 76		205 30		791 06

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile



For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Category 2 disbursements are to be approved in the same manner as our remuneration

Narrative of work carried out for the period 17 April 2014 to 30 May 2014

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ obtaining approval from unsecured creditors of a 6 month extension of the administration, ■ dealing with all closure related formalities, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ meeting with management to review and update strategy and monitor progress, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts, ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks, ■ reviewing and processing employee expense requests, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations, ■ working initially on tax returns relating to the periods affected by the administration, ■ analysing VAT related transactions, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment, ■ responding to enquiries from shareholders regarding the administration, ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing



	with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets, ■ liaising with finance companies in respect of assets subject to finance agreements, ■ liaising with agents regarding the sale of assets, ■ dealing with issues associated with the sale of stock, ■ reviewing outstanding debtors and management of debt collection strategy, ■ liaising with Company credit control staff and communicating with debtors, ■ seeking legal advice in relation to book debt collections, ■ reviewing the inter-company debtor position between the Company and other group companies
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases, ■ communicating with landlords regarding rent, property occupation and other issues, ■ performing land registry searches
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers, ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements, ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale, ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room, ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties, ■ carrying out sale negotiations with interested parties
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment, ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments, ■ holding employee briefing meetings to update employees on progress in the administration and our strategy, ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns, ■ communicating and corresponding with HM Revenue and Customs, ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees, ■ ensuring security of assets held by employees
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals, ■ convening and preparing for the meeting of creditors, ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits, ■ drafting our progress report
Investigations/directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration, ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies, ■ arranging for the redirection of the Company's mail, ■ reviewing the questionnaires submitted by the Directors of the Company, ■ reviewing pre-appointment transactions, ■ drafting the statutory report and submitting to the relevant authority

Time costs

Appendix 3: SIP 9 - Time costs analysis (17/04/2014 to 30/05/2014)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Trading							
Employees							
Correspondence		0 70			0.70	269 50	385 00
Administration & planning							
Bankrupt/Director/Member							
Notification of appointment				8 10	8 10	972 00	120 00
Cashiering							
General (Cashiering)		1 20	6 40		7 60	1,745 00	229 61
General							
Books and records		26 40	82 20	3 00	111 60	31,387 00	281 25
Fees and WIP		1 00			1 00	385 00	385 00
Statutory and compliance							
Appointment and related formalities		43 40	20 80	56 00	120 20	29,557 00	245 90
Bonding and bordereau			0 10	0 60	0 70	98 50	140 71
Checklist & reviews	4 00				4 00	2,260 00	565 00
Statutory receipts and payments accounts				0 30	0 30	36 00	120 00
Strategy documents		23 00			23.00	9,350 00	406 52
Tax							
Initial reviews - CT and VAT	1 50	0 60	0 30		2 40	1,687 00	702 92
Post appointment corporation tax		15 20	6 00		21 20	7,049 00	332 50
Post appointment VAT	2 10	1 90	5 75	0 80	10 55	4,182 25	396 42
Creditors							
Creditors and claims							
Agreement of unsecured claims				62 80	62 80	7,536 00	120 00
General correspondence		33 60	0 30		33 90	13,519 50	398 81
Legal claims	0 20				0 20	113 00	565 00
Notification of appointment				1 20	1.20	144 00	120 00
ROT Claims		26 00	148 10	14 40	188.50	51,434 50	272 86
Secured creditors		0 50			0 50	192 50	385 00
Statutory reports		17 50	0 50		18 00	6,870 00	381 67
Employees							
Correspondence	1 20	16 40	84 70		102 30	29,360 50	287 00



Appendix 3: SIP 9 - Time costs analysis (17/04/2014 to 30/05/2014)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
DTI redundancy payments service		0 30	16 50		16 80	4,488 00	267 14
Pensions reviews		0 90			0 90	346 50	385 00
Investigation							
Directors							
Correspondence with directors		1 20			1 20	462 00	385 00
Statement of affairs		6 40			6 40	2,464 00	385 00
Investigations							
Correspondence re investigations		5 60			5 60	2,660 00	475 00
Mail redirection			0 30	1 00	1 30	199 50	153 46
Review of pre-appt transactions		2 30			2 30	1,092 50	475 00
Realisation of assets							
Asset Realisation							
Cash and investments		2 30			2 30	885 50	385 00
Debtors		16 25	15 30		31 55	10,378 25	328 95
Leasehold property		33 25	0 30	7 20	40 75	14,712 25	361 04
Office equipment, fixtures & fittings		3 50		8 50	12 00	2,367 50	197 29
Open cover insurance		5 30			5 30	2,130 50	401 98
Other assets	7 50	62 45	1 20		71 15	33,256 25	467 41
Plant and machinery		29 40			29 40	13,965 00	475 00
Sale of business	20 50	116 20			136 70	63,789 50	466 64
Stock and WIP		62 50			62 50	28,607 50	457 72
Total in period	37 00	555 25	388.75	163.90	1,144 90	379,953 00	331 87

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)	1,144 90	379,953 00
Carry forward time (appointment date to SIP 9 period end date)	1,144 90	379,953 00



Appendix 4 Statement of Affairs, including creditor list

The Director has provided the following Statement of Affairs for the Company as at the date of our appointment

The Director has assumed, for the purposes of the Statement of Affairs, that the channel slots are subject to the Secured Creditor's fixed charge. However, we are treating the channel slots as floating charge assets until legal advice confirms the nature of the security

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration



Statement of affairs

Name of Company sit-up Limited	Company number 3877786
In the Leeds District Registry	Court case number 435 of 2014

Statement as to the affairs of sit-up Limited ("the Company")

On the 17 April 2014, the date that the Company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 17 April 2014 the date that the company entered administration

Full name JONATHAN CAMP
Signed /s/ J Camp
Dated 15 2014

Assets

THERE IS A VALUE IN THE INTELLECTUAL PROPERTY AND CHANNEL SLOTS BUT I HAVE NO INDICATION OF WHAT THIS MAY BE BUT WOULD LIKE TO HAVE RECORDED THAT I BELIEVE THERE IS A VALUE

Fixed Assets

STOCK

DEBTORS

DEPOSITS

உயர்தரமான தேயிலை

PREPARED BY

LASH

Estimated total assets available for preferential creditors

Signature J. Lamp Date 9.5.14

Book Value £	Estimated to Realise £
1,229,725	8,314
3,213,865	232,525
348,661	239,674
390,439	70,075
107,788	102,266
149,930	133,858
1,377,228	1037,419
7,920,138	1,924,112

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 1 924,112
Liabilities	
Preferential creditors -	£ 103,367
Estimated deficiency/surplus as regards preferential creditors	£ 1815,745
Estimated prescribed part of net property where applicable (to carry forward)	£ 366,149
Estimated total assets available for floating charge holders	£ 1449,596
Debts secured by floating charges - This relates to the land life and excludes interest and charges that may be applicable	£ 525,000
Estimated deficiency/surplus of assets after floating charges	£ 924,596
Estimated prescribed part of net property where applicable (brought down)	£ 366,149
Total assets available to unsecured creditors	£ 1 290,745
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 20,261,678
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ 1870,953
Shortfall to floating charge holders (brought down)	£ -
Estimated deficiency/surplus as regards creditors	£ 13,970,953
Issued and called up capital	£ 125631
Estimated total deficiency/surplus as regards members	£ 19,626,584

Signature J. J. Lamp Date 25.14



COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession *Please refer to spreadsheet attached.*

[illegible]

Signature 1 A lamp Date 22/11



COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
TANU CAPITAL	OLD MILL, 1 MILL LANE, COTTERSTOCK B28 5HH	12563114	125631	to CIP each
TOTALS		12563114	125631	

Signature /s/ Gump Date 25.14





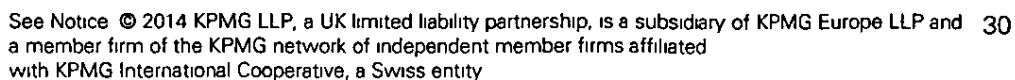
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28



29







32

Appendix 5 Glossary

Agentcite	Agentcite LLP
Company	sit-up Limited - in Administration
CVA	Company Voluntary Arrangement
Director	Jonathan Camp
Gateleys	Gateley LLP
JLL	Jones Lang Lasalle LLP
Joint Administrators/we/our/us	William James Wright and Allan Watson Graham
KPMG	KPMG LLP
Martineau	SGH Martineau LLP
Negotiation Window	A period ending one month from the date of the approval of the CVA
Purchasers	Leanforward Limited and 2 Kings Limited
ROT	Retention of title
Secured Creditor	The Good Life Limited
Stanley Gardens	Leasehold premises – 74 Stanley Gardens, Acton, London, W3 7QE
Unit 11	Leasehold premises – Unit 11, Acton Park Estate, Eastman Road, London, W3 7QE

Any references in these proposals to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this statement of proposals

This statement of proposals ('proposals') has been prepared by Wil Wright and Allan Graham, the Joint Administrators of sit-up Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 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.

William James Wright and Allan Watson Graham are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators 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 these proposals or the conduct of the administration.



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