

AM10

Notice of administrator's progress report



Companies House



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

1 Company details

Company number 0 4 9 5 5 5 5 5

Company name in full Skills Matter Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Mark

Surname Supperstone

3 Administrator's address

Building name/number 22 York Buildings

Street John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

4 Administrator's name ①

Full forename(s) Ben

Surname Woodthorpe

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 22 York Buildings

Street John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

From date	^d 3	^d 1	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9
To date	^d 3	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0

7 Progress report

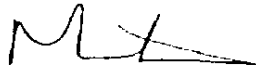
☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 8	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0
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AM10

Notice of administrator's progress report



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	Oliver Hickling
Company name	ReSolve Advisory Limited
Address	22 York Buildings
Post town	London
County/Region	
Postcode	W C 2 N 6 J U
Country	
DX	
Telephone	020 7702 9775



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Skills Matter Limited – In Administration
In Administration (the Company)

Joint Administrators' six month progress report
For the period 31 October 2019 to 30 April 2020

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1. INTRODUCTION

As you may be aware, Ben Woodthorpe and I were appointed as Joint Administrators of the Company on 31 October 2019. This report is my first report on the progress of the Administration to date and should be read in conjunction with the Administrators' Proposals dated 20 December 2019.

Please find attached the statutory information relating to the Company at **Appendix I**.

2. ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

A summary of the matters dealt with since the Administrators' appointment are outlined below:

- Proceeded with a pre-booked event at the Company's trading premises;
- Wrote to employees of the Company and notified them of the termination of their employment;
- Completed and submitted the Company's RP14 and RP14A to the RPS to allow employee entitlements to be processed;
- Liaised with employees and assisted in making claims through the RPS;
- Instructed independent valuers to prepare an appraisal of the Company's intellectual property and assets;
- Liaised with interested parties regarding the sale of the Company's business and assets;
- Negotiated and completed the sale of the Company's business and assets further details of which are provided later in this report;
- Identified and liaised with the Company's various external digital platform advisors to protect and secure digital content;
- Liaised with the landlord regarding the rent deposit and secured its release to the Administration estate account;
- Corresponded with solicitors in respect of the sale of the Company's assets and completed two sale and purchase agreements
- Reconciled the position in respect of an escrow account;
- Monitored and reconciled the position in respect of the company's PayPal account;
- Corresponded with PayPal and the escrow provider regarding the release of refunds;
- Liaised with ticket purchasers due refunds with a view to returning those funds ring-fenced in the escrow account;
- Corresponded with the secured creditors in respect of their security and to provide updates on the progress of the Administration;
- Corresponded and assisted both creditors and employees in respect of ongoing queries;
- Requested the opening of a new Administration estate bank account;
- Notified the Company's pre-appointment bankers, NatWest, of our appointment and requested the transfer of any credit balances held to be transferred to the Administration estate account;
- Liaised with insurance broker AON regarding appropriate post appointment insurance cover;
- Liaised with directors in relation to the submission of the Statement of Affairs; and
- Addressed statutory duties, including the preparation of the Administrators' Proposals and this progress report.

3. RECEIPTS AND PAYMENTS

My receipts and payments account for the period from 31 October 2019 to 29 April 2020 is attached at **Appendix II**.

4. ASSETS

A breakdown of the assets of the company are as follows:

	Included in business sales	Estimated to realise*	31 Oct 2019 to 30 Apr 2020
		£	£
<u>FIXED CHARGE ASSETS</u>			
Goodwill and intellectual property	X	555,000	570,001
Lease premium	X	-	99,995
Fixed plant, fixtures and fittings	X	-	10,001
Records	X	-	1
Social media account	X	-	10,001
Total assets subject to fixed charge		555,000	689,999
<u>FLOATING CHARGE ASSETS</u>			
Trading surplus		8,604	17,784
Book debts		20,000	-
Cash at bank and in hand		88,653	178,937
Nexthash claim		Uncertain	-
PayPal funds		Uncertain	-
Plant and equipment	X	90,000	80,000
Prepayments/accrued income		Uncertain	1,133
Rent deposit		Uncertain	304,071
Stock	X	-	1
Total assets subject to floating charge		207,257	581,926
Total assets		762,257	1,271,925

* Estimated to realise as per the estimated financial position provided in the Administrators' Proposals.

For ease of reference we have noted above which assets were included in the two business sales which are discussed further at **Section 5**.

Further information regarding the assets not included in the business sales is provided below. Please also refer to the Administrators Proposals for more detailed information regarding the asset position of the Company at the time of the Administration.

Trading surplus

The Administrators determined that it was not viable to continue to trade the Company during the Administration for an extended period of time. In order to preserve value in the business whilst the initial post-Administration marketing campaign was undertaken however, a pre-booked event due to take place in the week following the Administration was held.

To this end, funding was secured from the customer to cover the costs of the event and a net trading profit of £17,784 was achieved.

Please note however, this does not take into account any premises costs, of which the majority are made up of rent and service charge which was deducted from the rent deposit. The estimated rent and service charge cost during the period of the event total c£9k, resulting in a net profit of £8,784.

Shortly following the conclusion of this event all employees were made redundant.

Book debts

The Company's records had indicated an outstanding balance of £34,374 in book debts.

Whilst the initial estimated recoverability was c£20k, a number of these debts were for events yet to be held which have since been cancelled. It is presently uncertain as to whether there will be any recoveries in respect of the Company's debtor ledger.

Cash at bank and in hand

The Company operated bank accounts with NatWest and Barclays. The Administrators wrote to both requesting the accounts be frozen and any balances transferred to the Administrators bank account. The balance in the account at appointment was circa £88.6k and further receipts post administration totalled c£80k, resulting in a recovery of £178,937.

We are aware that certain parties have purchased tickets following the date of Administration and may have made payment to one of the Company's pre-appointment accounts. On this basis there may be third-party claims against a portion of the c£80k received post appointment. A detailed bank analysis will be undertaken following receipt of the post-appointment bank statements.

The Company also opened an escrow account on 18 October 2019 to hold client monies for future events. These funds are held in a ring-fenced account by the Administrators.

The Administrators have corresponded with ticket purchasers due refunds and have begun processing refunds of the monies held. It is anticipated that the full balance of £100,270 will be refunded.

Nexthash claim

As detailed the Administrators Proposals the Company had reached an agreement with Nexthash for additional growth funding in 2019, £2.5m was contracted to be invested on 30 September 2019. However, despite a contracted completion date the funding was not received.

The Administrators have sought a legal opinion as to the merits of bringing a claim against Nexthash for breach of contract and have offered the claim for sale to a number of litigation funders. This matter remains under consideration.

PayPal funds

The Company operated a PayPal account for ticket sales and a deposit of £300k was paid to PayPal in order to operate the account.

In accordance with the PayPal terms of service, the designated period for chargebacks and refunds has now expired and we are now in correspondence with PayPal to secure the release of the remaining balance of c£200k for the benefit of the administration estate. At this stage it is uncertain as to how much of the balance will be recoverable.

Prepayments/accrued income

Prepayments include insurance, business rates and other such operating expenses. The sum of £1,133 has been recovered to date and it is uncertain whether there will be any further recoveries.

Accrued income relates for services not yet provided/issued. Recoverability is unlikely as most of post appointments events did not proceed.

Rent Deposit

The Company's rent deposit relates to the head lease for its Trading Premises. The opening balance of the rent deposit was £664,345.

As part of the sale agreement, as detailed in **Section 5** of this report, CodeNode agreed to take an assignment of the lease and reached an agreement with the landlord regarding the rent deposit which enabled the release of the rent deposit, less arrears up to the date of assignment, to the Administration estate.

After deduction of outstanding rent, service charge and other charges a total of £304,071 has now be realised in this regard.

5. SALE OF BUSINESS AND ASSETS

A detailed summary of the marketing steps undertaken prior to and immediately following the Administration is provided in the Administrators' Proposals and a brief summary is provided below.

As advised in the Administrators' Proposals dated 20 December 2019, the Company's business and assets were advertised for sale via an accelerated marketing campaign. The initial deadline for offers was set for 5 November 2019 and subsequently extended to 12 November 2019 to enable the Administrators to hold various meetings with interested parties who expressed a genuine interest in the business and co-ordinate the provision to various further information as required.

The Administrators were approached by approximately eighty-three interested parties in total and following a brief vetting process a small number progressed to the next stage of the sale process. Whilst two offers were received during this marketing process, neither were in a form capable of being accepted by the secured creditors.

As a result, the Administrators continued to liaise with various parties, including the secured creditors, to determine the best way forward to achieve a sale of the business and/or assets that would satisfy the secured creditors' requirements. This included consideration as to which other potentially interested parties should be approached.

By late November 2019, the Administrators were in receipt of three separate offers, two of which were chosen to progress to contract. These two parties were Quad4 Group Limited ('Quad4') and CodeNode Space & Events Limited ('CodeNode') and the transactions completed on 22 and 29 January 2020 respectively.

Whilst the two offers were for distinct parts of the business, the two sale processes had to effectively be run concurrently such that the assets of the Company being acquired were clearly split between the two purchasers. Several inspections of the tangible assets located at the trading premises were therefore undertaken and detailed asset schedules were provided in the sale contract to mitigate the risk of overlap.

Certain assets were also specifically excluded from the sale, including certain third-party intellectual property.

A summary of each of those offers is provided below:

Quad4

A sale was concluded to Quad4 on 22 January 2020 in the sum of £600,000 plus VAT, broken down as follows:

	£
Computer equipment	20,000
Goodwill	272,500
Intellectual property and intellectual property rights	272,500
IT Systems	20,000
Office and event furniture	5,000
Social media accounts	10,000
Total	600,000

Under the terms of the sale contract, the sum of £250,000 was payable on completion (inclusive of a £35,000 non-refundable deposit paid on 2 January 2020) and the balance of £470,000 was payable in instalments post-completion. I can confirm the sale consideration has now been received in full.

CodeNode

A sale was concluded to CodeNode on 29 January 2020 in the sum of £170,000 plus VAT, broken down as follows:

	£
Codenode business goodwill	15,000
Fixed plant	1
Fixtures and fittings	10,000

Head lease	99,995
Intellectual property and intellectual property rights	10,001
Office and event furniture	35,000
Records	1
Social media accounts	1
Stock	1
Total	170,000

The sale consideration has now been received in full.

You will note the sale included an assignment of the lease of the trading premises located at 10 South Place, London ('Head lease' in the sum of £99,995).

This enabled the Administrators to recover a substantial portion of the rent deposit held by the landlord to the trading premises. The sum of £304,071 was received on completion from the landlord.

6. DIVIDEND PROSPECTS

Secured creditors

The records held at Companies House show that the Company has granted the following charges:

Secured Creditor	Date of Creation	Date of Registration	Satisfied
Beringea LLP	30 July 2014	12 August 2014	Outstanding
Beringea LLP	23 February 2016	24 February 2016	Outstanding
Stuart Dean as Security Trustee for the Bondholders	26 January 2018	29 January 2018	Outstanding
Stuart Dean as Security Trustee for the Bondholders	23 February 2018	6 March 2018	Outstanding

The Bondholders have two charges dated 26 January 2018 and 23 February 2018 respectively which relate to bonds on issue by the Company. As noted in the Administrators' Proposals, the Company was due to receive investment funds from Nexthash in late September 2019 and as a result, certain existing and newly issued bonds were to be converted to equity.

The Nexthash investment did not complete and as a result, the existing and newly issued bonds were not converted into equity. We currently estimate the outstanding secured balance due to the Bondholders is £2,537k (excluding interest and charges).

Beringea holds two charges dated 30 July 2014 and 23 February 2018 respectively, totalling £350,000 (excluding interest and charges). Whilst the charges pre-date the Bondholder's charges, Beringea is the second ranking chargeholder as a result of the deed of priority entered into by the two charge holders.

It is anticipated that the Bondholders will receive a substantial distribution out of the Administration, however declaration of any distribution will be subject to a comprehensive security review.

Preferential creditors

The Statement of Affairs anticipated £65,357 in preferential creditors.

These claims comprised of holiday pay for those staff that were made redundant following the Administrators' appointment. Residual claims (i.e. that do not include wages or holiday pay) are classified as an unsecured debt of the Company. We have received a preferential claim from the Redundancy Payments Service totalling £24,810.

It is anticipated that preferential creditors will receive a 100p in the pound dividend, however the timing is subject to agreement of the secured creditors' position, including the security review referred to above.

Non-preferential unsecured creditors

The Statement of Affairs included 288 unsecured creditors with an estimated total liability of £766,094. I have

received claims from 288 creditors at a total of £900,789. I have not received claims from 86 creditors with original estimated claims in the statement of affairs of £478,472. This includes a HMRC estimated claim of £195,424.65.

As previously advised, the Company gave a floating charge to the Bondholders on 26 January 2018 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the accrued and paid costs of the Administration to date, the estimated net property of the Company is £117,980, and I estimate that the prescribed part of the net property available for unsecured creditors is £91,384.

These estimates do not take into account the future costs of the Administration, which will reduce the amount of the Company's net property.

7. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. I took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of my appointment as Joint Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I confirm that my report has been submitted. Areas of investigation included the Company's bank account statements. Copies of statements covering the 2 years leading up to appointment were requested and obtained from the Company's pre-appointment bank, and all transactions reviewed. All secured loan agreements were also investigated by checking the dates of creation and registration with Companies House – all charges were deemed valid. The Company's Income statements and Balance sheets over the 2 years leading to insolvency were also reviewed, as well as management accounts. No further action was required upon completion of these investigations.

8. PRE-ADMINISTRATION COSTS

These are costs incurred prior to the Company entering Administration but with a view to it doing so. The payment of outstanding Pre-Appointment costs as an expense of the Administration is a matter requiring secured and preferential creditor approval.

On 20 March 2020 pre-appointment fees totalling £29,942 were approved by preferential creditors, however remain subject to full secured creditor approval.

9. ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised by preferential on 20 March 2020, to be drawn on a time cost basis, however remains subject to full secured creditor approval.

My time costs to 30 April 2020 amount to £286,598, representing 860 of hours work at an average charge out rate of £334 per hour, against an initial fee estimate in the sum of £324,340.

I have not been able to draw any remuneration in this matter.

A schedule of my charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.

Further work remains to be done and I estimate that it will cost an additional £60,000 to complete it.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies after 1 October 2015. A hard copy can be obtained on request, free of charge, from this office.

10. ADMINISTRATORS' EXPENSES

Disbursements include Category 1 and Category 2 disbursements:

- Category 1 disbursements are costs directly attributable to the appointment and do not require specific creditor approval.
- Category 2 disbursements 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 and require specific creditor approval.

My disbursements to 30 April 2020 amount to £5,086. Of the total, £492 was incurred in respect to category 2 disbursements. I confirm the basis of charging category 2 disbursements was approved by preferential creditors on 20 March 2020, however remains subject to full secured creditor approval:

Category 1		£	Category 2		£
Postage		414.92	Travel		51.87
IT Support		4,120.20	Printing & Stationary		234.68
Bond		264.00	Total		286.55
Total		4,799.12			

I have not been able to draw any expenses in this matter.

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of work	Fee Arrangement	Fees incurred to date	Paid
CMS	Solicitors	Time costs and disbursements	£108,673	No
Hilco	Valuers	Fixed fee and disbursements	£12,731	No

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

CMS is a firm of solicitors and has provided the Administrators with general advice during the course of the Administration, including preparation of the sale agreements.

Hilco is a firm of valuation agents and provided advice regarding the valuation of the Company's assets.

11. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Advisory Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU or by email to cameron.gunn@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk, or you may phone 0300 6780015. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Supperstone's and Mr Woodthorpe's regulatory body. Details of the relevant call charges and opening hours can be found here: <http://www.resolvegroupuk.com/policies2/>.

12. SUMMARY

The Administration will remain open until the following matters have been finalised:

1. Recovery of the balance on the PayPal account;
2. Refund of the escrow account monies;
3. Potential sale and assignment of the Nexthash claim; and
4. Distributions to the secured, preferential and unsecured creditors.

Once these matters have been finalised the Administration will be concluded and my files closed.

Should you have any queries in relation to this matter please do not hesitate to contact Oliver Hickling of this office.

Yours faithfully
For and on behalf of
Skills Matter Limited



Mark Supperstone
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: *Oliver Hickling*
Phone number: *0207 702 775*
Email: *oliver.hickling@resolvegroupuk.com*

The affairs, business and property of the Company are being managed by the administrator
Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability
Cameron Gunn, Mark Supperstone, Lee Manning, Chris Farrington, Ben Woodthorpe and Simon Jagger are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales
Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here www.resolvegroupuk.com/policies2/.

APPENDIX I

STATUTORY INFORMATION

Company name:	Skills Matter Limited
Previous company name:	None
Registered office:	22 York Buildings, John Adam Street, London, WC2N 6JU
Former registered office:	31 High Street, Haverhill, CB9 8AD
Registered number:	04955555
Date of incorporation:	6 November 2003
Trading address:	10 South Place, London, EC2M 2RB
Principal trading activity:	Technology training and events provider
Joint Administrators' names:	Mark Supperstone and Ben Woodthorpe
Joint Administrators' address:	22 York Buildings, John Adam Street, London, WC2N 6JU
Joint Administrators' date of appointment:	31 October 2019
Court name and reference:	High Court of Justice, CR-2019-006992
Appointment made by:	Director, Wendy Devolder
Joint Administrators' actions:	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone.

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

For the period 31 October 2019 to 30 April 2020

	Estimated to Realise	31-Oct-19 to 30-Apr-20	Total Receipts/ Payments To Date
TRADING RECEIPTS		£	£
Post appointment sales		32,766	32,766
		32,766	32,766
TRADING PAYMENTS			
Overheads		1,134	1,134
Sub Contractors		6,500	6,500
Wages and salaries		7,348	7,348
		14,982	14,982
Trading surplus			17,784
ESCROW FUNDS		£	£
Balance of escrow account on appointment		100,305	100,305
Bank charges		(35)	(35)
Balance (receipts less payments)			100,270
FIXED CHARGE RECEIPTS		£	£
Goodwill and intellectual property	555,000	570,001	570,001
Lease Premium		99,995	99,995
Fixed plant, fixtures and fittings		10,001	10,001
Records		1	1
Social media accounts		10,001	10,001
Warrant		689,999	689,999
FIXED CHARGE PAYMENTS		-	-
Balance (receipts less payments)			689,999

	Estimated to Realise	31-Oct-19 to 30-Apr-20	Total Receipts/ Payments To Date
FLOATING CHARGE RECEIPTS	£	£	£
Surplus of Trading receipts		17,784	17,784
Book debts		-	-
Cash at Bank and in hand		178,937	178,937
Paypal Funds		-	-
Plant and Equipment		80,000	80,000
Prepayments/accrued income		1,133	1,133
Rent Deposit		304,071	304,071
Stock		1	1
		581,926	581,926
FLOATING CHARGE PAYMENTS			
Contractor costs		1,200	1,200
Statutory Advertising		85	85
Storage costs		72	72
		1,356	1,356
Balance (receipts less payments)			580,570

BALANCE SUMMARY	
Escrow account (receipts less payments)	100,270
Fixed charge balance (receipts less payments)	689,999
Floating charge balance (receipts less payments)	580,570
TOTAL CASH IN HAND	1,370,839

Represented by	
Funds held on escrow	100,263
Administrators' case bank account, floating (non-interest bearing)	1,300,479
Funds held in solicitor's client account	130,403
Net VAT receivable/(payable)	(160,307)
TOTAL CASH IN HAND	1,370,839

Mark Supperstone
Joint Administrator

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Joint Administrators' charge out rates

The Joint Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 30 April 2018:

Staff grade	Rate per hour from 1 January 2020 (£)	Rate per hour from 30 April 2018 (£)
Partner	625 - 755	550 - 755
Director	515	450
Senior Manager	435	395
Manager	375	350
Assistant Manager	305	305
Senior Administrator	255	255
Administrator	220	220
Junior Administrator	175	175

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Advisory Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out:

Administration and Planning

Case planning

- Preparing the documentation and dealing with the formalities of appointment.
- Review and storage of Company records.
- Liaising with the directors throughout the appointment process.
- Assisting the directors with the formalities required to place the Company into administration.
- Considering the employee position of the Company.
- Case planning and administration.

Cashiering

- Dealing with the day to day management of the internal cash book.
- Making payments and dealing with receipts.
- Reconciling the Company's bank account.

General administration

- Statutory notifications and advertising.
- Case bordereau.
- Preparing the documentation required.
- Dealing with all routine correspondence.
- Liaising with insurers regarding initial cover.
- Updating the Insurers with respect to the disposal of assets.
- Maintaining physical case files and electronic case details.
- Liaising with the Company's directors regarding provision of information.

Creditors

Secured

- Liaising with Beringea and the Bondholders with respect to sums due to the secured creditors and planning the release of surplus funds.

Unsecured

- Dealing with creditor correspondence, emails, and telephone conversations.
- Maintaining up to date creditor information on the case management system.

Employees

- Liaising with employees with respect to their redundancy.
- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the RPS.
- Corresponding with employees regarding their claims.
- Attended meeting with employees to assist with the process to make a claim to the RPS.
- Advised employees of their redundancy
- Liaising with the RPS regarding employee claims.

Investigations

- General investigation into the Company's affairs.
- Statutory investigation into the directors' conduct, including preparation and submission of required reports.

Realisation of Assets

Sale of business / assets

- Liaising with Hilco regarding the securing, valuation and sale of Company assets.
- Initiated a marketing campaign for the sale of the Company's business and certain assets and co-ordinated access to information with interested parties and meetings with the Board (as required);
- Notified the Company's pre-appointment bankers, NatWest, of our appointment and requested the transfer of any credit balances held to be transferred to the Administrators' bank account
- Correspondence with Hilco and CMS regarding recommendations of acceptance on the offers received for the Company's assets.
- Wrote to the landlords advising of the Administration and the landlords' rights and obligations. Subsequently, liaised with CBRE, agent of the landlord to the Trading Premises, regarding the balance of the rent deposit, and arrears of rent being subsequently deducted from the deposit
- Providing information to the interested parties; and
- Internal correspondence and meetings regarding assets.

Book debts

- Liaising with the directors in relation to the Company's book debts.

Leasehold property

- Liaising with the landlords, CBRE and WeWork in respect of the assignment, surrender and forfeit of leases.
- Supervision of site clearance.

Retention of title and third-party assets

- Dealing with retention of title claims and third-party assets and where appropriate, coordinating the return of such assets.

Other assets

- Reviewing offers in respect of intangible assets, goodwill and intellectual property.

Statutory

- Preparation and delivery of all statutory documentation.
- Informing Companies House of the Administration.
- Liaising with solicitors regarding appointment documentation.
- Internal discussions in relation to the timings of the appointment and preparing for the appointment.
- Drafted these Administrators' proposals.
- Dealing with statutory issues required under IA86, IR 2016 and the Statements of Insolvency Practice.

Trading

- Reviewing service contracts and assessing financial viability of holding events.
- Liaising with staff to work post appointment events.
- Liaised with the customer regarding non-refundable deposit for costs.
- Prepared payments to certain staff, contractors and third parties for the events held post appointment.

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	2.60	1,898.00	61.90	21,519.50	3.70	462.50	68.20	23,880.00	350.15
Cashiering	3.00	1,559.00	4.00	1,563.00	6.50	856.50	13.50	3,978.50	294.70
General administration	4.60	3,168.00	58.80	18,869.00	35.10	4,387.50	98.50	26,424.50	268.27
	10.20	6,625.00	124.70	41,951.50	45.30	5,706.50	180.20	54,283.00	301.24
Creditors									
Secured	8.60	5,977.00	40.90	16,849.50	-	-	49.50	22,826.50	461.14
Preferential	0.40	278.00	1.20	366.00	-	-	1.60	644.00	402.50
Unsecured	2.30	1,569.50	134.80	43,745.00	96.00	12,000.00	233.10	57,314.50	245.88
Employees	2.00	1,390.00	38.40	12,325.00	0.70	87.50	41.10	13,802.50	335.83
	13.30	9,214.50	215.30	73,285.50	96.70	12,087.50	325.30	94,587.50	290.77
Investigations									
General investigation	-	-	22.50	7,031.50	16.70	2,087.50	39.20	9,119.00	232.63
D returns	2.10	1,459.50	10.20	3,360.00	6.90	862.50	19.20	5,682.00	295.94
Other investigation	0.20	139.00	0.90	274.50	-	-	1.10	413.50	375.91
	2.30	1,598.50	33.60	10,666.00	23.60	2,950.00	59.50	15,214.50	255.71
Realisation of Assets									
Book debts	-	-	0.40	174.00	-	-	0.40	174.00	435.00
Sale of business / assets	11.40	7,904.00	110.40	43,931.00	-	-	121.80	51,835.00	425.57
Property - freehold and leasehold	30.10	20,919.50	2.10	793.50	-	-	32.20	21,713.00	674.32
Other assets	0.40	278.00	22.60	8,747.00	-	-	23.00	9,025.00	392.39
	41.90	29,101.50	135.50	53,645.50	-	-	177.40	82,747.00	466.44
Statutory									
Statutory paperwork / form completion	1.50	897.50	24.10	7,771.50	-	-	25.60	8,669.00	338.63
Filing documents with CH / Court	-	-	1.30	435.50	-	-	1.30	435.50	335.00
Reporting to creditors	-	-	51.90	16,693.50	-	-	51.90	16,693.50	321.65
	1.50	897.50	77.30	24,900.50	-	-	78.80	25,798.00	327.39
Trading									
Day one matters	-	-	9.50	3,752.50	-	-	9.50	3,752.50	395.00
Ongoing trading administration	1.80	1,164.00	23.70	7,996.50	-	-	25.50	9,160.50	359.24
Close down	-	-	3.30	1,154.50	-	-	3.30	1,154.50	349.85
	1.80	1,164.00	36.50	12,903.50	-	-	38.30	14,067.50	367.30
Total hours and cost	71.00	48,601.00	622.90	217,352.50	165.60	20,744.00	859.50	286,697.50	333.56