

AM03

Notice of administrator's proposals



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1 Company details

Company number

Company name in full

➔ Filling in this form
Please complete in typecript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

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

5 Administrator's address ①

Building name/number

Street

Post town

County/Region

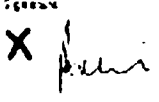

Postcode

Country

① Other administrator
Use this section to tell us about
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AM03

Notice of Administrator's Proposals

| | | |
|---------------------------|---|--|
| 6 | Statement of proposals | |
| | <input checked="" type="checkbox"/> I attach a copy of the statement of proposals | |
| 7 | Qualifying report and administrator's statement ^① | |
| | <input checked="" type="checkbox"/> I attach a copy of the qualifying report <input type="checkbox"/> I attach a statement of disposal | ① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 |
| 8 | Sign and date | |
| Administrator's Signature |  |  |
| Signature date | <div> <div>01'19</div> <div>01'20</div> <div>02'23</div> </div> | |

AM03

Notice of Administrator's Proposals



Presenter information

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Contact name

PETER KUBIK

Company name

LIHY HACKER YOUNG LLP

Address

Quadrant House

4 Thomas More Square

Postcode

London

County/Region

Postcode

E

L

W

I

Y

W

County

CA

Signature



Checklist

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



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05092653 LIMITED FORMERLY KAGOO LIMITED - IN ADMINISTRATION ("THE COMPANY")

DOCUMENT CONTAINING THE STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS AS REQUIRED BY RULE 3.55(10) OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

The Joint Administrators are seeking a decision from creditors on the approval of the Proposals. Appendix 11 to the enclosed Statement summarises those Proposals and the notices at Appendix 12 explain how creditors may cast their vote.

Separately, the Joint Administrators are seeking creditors' approval of a number of proposed decisions including that the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration.

A statement of the pre-Administration costs is enclosed at Appendix 3 to the Proposals. Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

The affairs, business and property of 05092653 Limited formerly Kagool Ltd (in Administration) are managed by the Joint Administrators, who act as agents of the Company and without personal liability.

05092653 Limited formerly Kagool Ltd - in Administration ("the Company")

**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency
and Companies List (ChD) Reference No. CR-2023-005781**

The Joint Administrators' Statement of Proposals

**Peter Kubik and Brian Johnson
Joint Administrators**

**UHY Hacker Young LLP
Quadrant House, 4 Thomas More Square, London E1W 1YW**

Disclaimer notice

This Statement of Proposals has been prepared by Peter Kubik and Brian Johnson, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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.

Any estimated outcomes for creditors included in this Statement of 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 this document for any purpose or in any context other than under Paragraph 49 of 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 this Statement of Proposals.

The Joint Administrators act as agent for the Company and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, UHY Hacker Young LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

Contents

1. Executive summary
2. Background to the Company
3. Events leading to the Administration
4. The objective of the Administration
5. Events since the Joint Administrators' appointment
6. The Statement of Affairs and the outcomes for creditors
7. The Joint Administrators' fees
8. The Joint Administrators' expenses
9. The Joint Administrators' discharge
10. Approval process

Appendices

1. Definitions
2. Statutory and financial information
3. Statement of pre-Administration costs
4. Statement of Insolvency Practice 16 statement
5. Estimated financial position and list of creditors
6. Receipts and payments account
7. Estimated outcome statement
8. The Joint Administrators' fees estimate
9. Breakdown of the Joint Administrators' time costs
10. The Joint Administrators' expenses estimate
11. Summary of the Joint Administrators' proposals
12. Decision process documents

1. Executive summary

- 1.1 Peter Kubik and Brian Johnson were appointed Joint Administrators of the Company on 3 November 2023.
- 1.2 This Statement of Proposals is being delivered to creditors on 19 December 2023. These proposals were not issued to creditors at the same time as the Statement of Insolvency Practice 16 as the Joint Administrators were still collating financial information and liaising with the director regarding the Statement of Affairs.
- 1.3 The Joint Administrators are currently pursuing the second statutory objective of an Administration by achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

| | Realisations to date | Anticipated future realisations | Total anticipated realisations |
|---|-------------------------|---------------------------------------|--------------------------------------|
| Asset | £ | £ | £ |
| Business contracts and seller's records | 0.25 | 0.75 | 1.00 |
| Cash at bank | 97,443.84 | 18,108.16 | 115,552.00 |
| Computer equipment, fixtures and fittings | 3,750.21 | 11,249.79 | 15,000.00 |
| Director's loan account | - | 48,120.56 | 48,120.56 |
| Factored book debts | - | 539,221.17 | 539,221.17 |
| Goodwill | 25,001.41 | 74,998.59 | 100,000.00 |
| Intellectual Property | 0.25 | 0.75 | 1.00 |
| Intercompany loan - Dubai | - | Uncertain | Uncertain |
| Intercompany loan - Malaysia | - | Uncertain | Uncertain |
| Intercompany loan - Qatar | - | Uncertain | Uncertain |
| Intercompany loan - Singapore | - | Uncertain | Uncertain |
| Intercompany loan - USA | - | Uncertain | Uncertain |
| Investments in subsidiaries | 11,250.88 | 33,750.12 | 45,001.00 |
| Unapproved WIP consideration | - | Uncertain | Uncertain |
| Unfinished WIP consideration | - | Uncertain | Uncertain |
| Funds for rent | - | 91,310.83 | 91,310.83 |
| Total | 167,446.84 | Uncertain | Uncertain |

Expenses

| Expense | Expense incurred to date £ | Anticipated further expense £ | Total anticipated expense £ |
|--|-------------------------------|----------------------------------|--------------------------------|
| Pre appointment | | | |
| Agents' expenses | - | - | 295.00 |
| Agents' fees | 25,950.45 | Uncertain* | Uncertain |
| Legal expenses | 3,780.00 | - | 3,780.00 |
| Legal fees | 33,919.00 | - | 33,919.00 |
| Proposed office holders' expenses | - | - | 0.00 |
| Proposed office holders' unpaid time costs | 5,936.50 | - | 5,936.50 |
| Post appointment | | | |
| Joint Administrators' fees | 28,545.00 | 36,712.65 | 65,257.65 |
| Legal fees | 11,003.50 | 7,500.00 | 18,503.50 |
| Statutory advertising | 99.80 | 199.60 | 299.40 |
| Quickbooks | 0.00 | 489.60 | 489.60 |
| Bank charges | 0.90 | 111.60 | 112.50 |
| Pension specialists | 818.00 | 36,00.00 | 4,418.00 |
| The Creditor Gateway | 14.00 | 28.00 | 42.00 |
| Change of name fee | 10.00 | 0.00 | 10.00 |
| Land registry searches | 0.00 | 20.00 | 20.00 |
| Storage | 0.00 | 25.95 | 25.95 |
| Specific bond | 450.00 | 0.00 | 450.00 |
| Insolvency software | 125.00 | 0.00 | 125.00 |
| Rent and service charges | 0.00 | 0.00 | 91,310.83 |
| Insurance | 0.00 | 0.00 | 168.00 |
| Statement reader | 513.00 | 0.00 | 513.00 |
| Total | 111,165.15 | Uncertain | Uncertain |

*plus 15% of total realised from unapproved WIP and undocumented WIP consideration

Dividend prospects

| Creditor class | Distribution / dividend paid to date | Anticipated distribution / dividend |
|------------------------------------|---------------------------------------|---|
| Secured creditor (fixed charge) | No distribution/dividend paid to date | £539,221.17 |
| Secured creditor (floating charge) | Not applicable | Not applicable |
| Preferential creditors | No distribution/dividend paid to date | £15,470.00 |
| Secondary Preferential creditors | No distribution/dividend paid to date | 169,926.29 |
| Unsecured creditors | No distribution/dividend paid to date | It is estimated that there will be insufficient realisations to make a distribution to unsecured creditors. |

- 1.5 The main work to be completed prior to concluding the Administration is the statutory investigations into the affairs of the Company and its directors. In addition, we will collect the deferred consideration as per the asset and sale agreement dated 3 November 2023 ("the Sale Agreement"). The Administration is expected to be concluded in approximately 11 months by exiting to dissolution with permission from the Court.
- 1.6 Definitions of the terms used in this Proposal are provided in Appendix 1.
- 2. Background to the Company**
- 2.1 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix 2. Please note that this information has not been verified by the Joint Administrators or by UHY Hacker Young LLP.
- 2.2 The business was established on 2 April 2004 by Mr Barlow. After years working in the IT industry, Mr Barlow recognised that there was, and remains, a worldwide demand for specialists in the Data-SAP sector. The Company was incorporated to provide specialist data management services to enterprises running SAP as their core enterprise resource planning system and hoped to alleviate the shortage of experts in the area.
- 2.3 The Company ran as a small-scale consultancy for a number of years prior to winning several large projects in 2012.
- 2.4 In April 2018, the Company added its first office in Coventry to support the additional staff working on the larger projects. Due to the steady growth of the business, 3 additional offices were added.
- 2.5 At this stage, Mr Patel became a 49% shareholder and director in the Company to support further expansion and lead the formation of an offshore development facility in India. Mr Patel has extensive experience in the industry and a degree in technology.
- 2.6 The roles of the directors were and remained as follows:
- Dan Barlow acted as Chief Executive Officer and managed central services and overall programme delivery.
 - Prashant Patel was responsible for all aspects of technical delivery.
- 2.7 In 2021, the Company moved into a larger office space operated by Coventry City Council and undertook a Lease for the property known as 5th Floor, Friargate House, Coventry CV1 2GN.
- 2.8 On 10 December 2021, the Company granted a fixed charge over its book debts by way of a factoring agreement for the sum of £2,000,044.00 with UK Working Capital Limited ('UKWC').
- 2.9 The Company experienced exponential growth from 2018 to 2022, doubling in size annually. This growth slowed following the aftermath of the Covid-19 pandemic.
- 2.10 The Company's contracts had an average value of £45,000.00 for a 3-month project and its fixed price engagements averaged at £250,000.00 per agreement.

- 2.11 In the 12 months preceding the Administration, the Company had several contracts with large enterprises which made up over 90% of monthly revenues. These enterprises included:
- Smiths Group ("SG")
 - Walgreens Boots Alliance ("WBA")
 - Alliance Healthcare ("AH")
 - Atlas Copco ("AC")
- 2.12 In late 2022, these contracts became unexpectedly delayed/suspended due to the energy crisis and inflation which impacted the clients' own operations and prompted a reduction in IT spending. A summary of the timeline is below.
- Revenues from WBA ceased in October 2022 when their IT programmes were paused due to the energy crisis, the Company was not notified until January 2023 that the programmes were permanently halted
 - AC paused IT programmes in November 2022 ceasing revenues to date.
 - AH paused their programme in March 2023 due to energy costs and the project never restarted.
 - SG was the largest UK customer and had been gradually reducing IT spend in recent years. Revenues dropped by 40% between January 2023 and October 2023
- 2.13 These losses were funded through the increase in creditor facilities and with the directors contributing cash into the business.
- 2.14 The Company first encountered difficulties with making repayments to HM Revenue and Customs ("HMRC") in early 2022 and sought support from Business Advice Services to help secure a time-to-pay arrangement. HMRC did not agree an arrangement but settled on an informal verbal payment plan.
- 2.15 As outlined above, 2022 was fraught with unpredictability with large projects being unexpectedly delayed and suspended indefinitely. The Company maintained a strong pipeline of projects until October 2023 and at this point, the Company was carrying a higher level of staff than necessary due to the repeated delays in the projects. These growing cost issues were met with an obvious drop in global business IT spending.
- 2.16 Overall, the Company experienced a 30% drop in revenue from January 2023 to July 2023 and in order to deal with the drop in revenue, the directors took a reduction in pay.
- 2.17 Around March 2023, revenue projections predicted a drop and strong rebound, so the Company instigated a salary deferment programme for employees which was widely adopted. This helped preserve cash in the business. During this period, the directors searched for additional funding options.
- 2.18 Eventually, the Company underwent several rounds of redundancy and relocation of employees to other international entities. The London UK office was closed in an attempt to reduce the rent for the Coventry office.
- 2.19 The directors sought funding from numerous parties to no avail as potential investors were discouraged due to the lack of formal written agreement/time to pay arrangement with HMRC.

- 2.20 Despite attempts to mitigate cash flow issues, the Company observed significant deterioration in UK sales between August 2023 and October 2023. The largest UK customer's, SG, monthly revenue profile had dropped by 75% between October 2022 to October 2023 and was due to terminate in November 2023.
- 2.21 By October 2023 revenues were recovering and were projected to grow strongly, however the repayment plan agreed verbally with HMRC required numerous sharp repayments to be made in the following 12 months without any flexibility.
- 2.22 Whilst initial revenue projections demonstrated that these payments could be made, challenges such as customers making late payments presented a huge risk to achieving them. In September 2023, with imminent payments due to HMRC and growing pressures of a Winding Up Order, the directors approached UHY Hacker Young LLP with the goal of exploring the options available.
- 2.23 By 13 October 2023, it became clear that the Company had no other option but to enter a formal insolvency process, and after consideration, it was deemed most appropriate to place the Company into Administration.
- 3. Events leading to the Administration**
- 3.1 As set out above, UHY Hacker Young LLP were engaged by the Company on 29 September 2023 following increasing pressure from HMRC.
- 3.2 No Moratorium under Part A1 of the Act has been in force for the Company at any time within the period of 2 years ending with the day on which it entered Administration.
- 3.3 Enclosed at Appendix 3 is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.
- 3.4 Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.
- 3.5 On 3 November 2023, Peter Kubik and Brian Johnson of UHY Hacker Young LLP were appointed Joint Administrators of the Company following an Administration Order granted by the Court on the application of the directors.
- 3.6 These proceedings are COMI proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.
- Ethical considerations*
- 3.7 Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken, and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

4. The objective of the Administration

4.1 Administrators must perform their functions with the objective of

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The Joint Administrators would comment that due to a lack of working capital, the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement. Accordingly, the first objective will not be achievable.

4.3 The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in Liquidation. The Joint Administrators would comment that the Administration has enabled a sale of the business and assets to be achieved. The Joint Administrators believe that this strategy has resulted in a better result for creditors as a whole than if the Company had been placed into Liquidation.

4.4 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' appointment

5.5 Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs.

The sale of the Company's business and assets

5.6 The Joint Administrators concluded a pre-pack sale of the Company's business and assets. Information relating to this sale is enclosed at Appendix 4. Of the total sale consideration of £160,003.00, £63,996.00 has been received to date and the remaining £96,007.00 will be collected as and when it falls due for payment.

Sales to connected parties

5.7 In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Joint Administrators' appointment are as follows:

5.8 Kagool Ltd, formerly known as Sparq Consulting Limited ("the Purchaser") expressed an interest in purchasing the Company's Business and Assets as disclosed in the Joint Administrators letter issued to creditors on 13 November 2023. Mr Barlow and Mr Patel are directors and shareholders of both the Company and the Purchaser.

5.9 Please note that as part of the sale, the company name 'Kagool Ltd' was sold to the Purchaser and a consecutive name change was actioned on 30 November 2023. The Company's name was changed from Kagool Ltd to 05092653 Limited and the Purchaser's name was changed to Kagool Ltd.

5.10 John Pye & Sons ("John Pye"), who are professional independent agents with adequate professional indemnity insurance were instructed to dispose of the Company's assets using the most advantageous method available. The Purchaser was invited to contact John Pye directly to progress their interest. John Pye weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. John Pye concluded that the Purchasers offer was very likely to represent the best net realisation for the assets and they recommended to the Joint Administrators that the offer be accepted.

5.11 Consequently, the Company's business and assets were sold to the Purchaser on 3 November 2023 for £160,003.00 (exclusive of any VAT) plus 80% on unapproved WIP and 50% of all unfinished WIP. Initial consideration totalling £40,003.00 was received on completion. A subsequent £23,993.00 was received on 7 December 2023.

Other steps taken as regards assets

Book debts

5.12 On the Joint Administrators' appointment, the value of the Company's sales ledger was £539,221.17. The Company had factored its book debts and as a result they are held as security by UKWC. On appointment, the Joint Administrators arranged for the collection of all documentation to support the outstanding sales ledger.

5.13 UKWC is collecting the book debts.

Cash at bank

5.14 The Company held accounts with HSBC and Barclays Bank Plc ("Barclays"). The Joint Administrators made immediate contact with the Company's bankers in order to freeze the Company's bank accounts and to request the transfer of any credit balances to the Joint Administrators' control.

5.15 To date, a total of £97,443.84 has been received from Barclays and the outstanding balance relates to funds held in the accounts with HSBC. HSBC have been contacted by the Joint Administrators and have confirmed that they are dealing with the Joint Administrators requests.

5.16 It is anticipated that any remaining cash at bank will be received shortly.

5.17 At this stage, it is understood that the secured creditor, UKWC, may have a charge over the funds held in the Barclays' accounts due to their legal assignment relating to the factoring agreement over the book debts. Francis Wilks & Jones ("FWJ") have been instructed to investigate the validity and scope of any charge and this work is ongoing.

Director's loan account

5.18 As per the Statement of Affairs, Mr Barlow has an outstanding directors' loan account in the sum of £40,000.00.

5.19 On appointment, the Joint Liquidators recovered the Company's books and records which suggest that the outstanding balance totals £52,120.56. Investigations are ongoing into the position.

5.20 Once the amount outstanding is clarified, steps will be taken to recover the full amount.

Intercompany loans

- 5.21 As per the Statement of Affairs, the total due in respect of intercompany loans is £143,677.46.
- 5.22 Investigations are ongoing into these balances due from Kagool Data Private Ltd, Kagool Inc, Kagool SDN BHD, Kagool FZ LLC, Kagool LLC and Kagool Singapore
- 5.23 The Joint Administrators are reconciling the amounts due as per the Statement of Affairs with the books and records and are liaising with the Purchaser/directors of the relevant companies regarding a potential agreement for recovery. If no resolution can be made, statutory demands shall be issued to recover the balances.

Investment in subsidiaries

- 5.24 As per the filed accounts for the period ending 31 July 2022, the Company appears have 100% ownership of Kagool Inc, which was omitted from the asset purchase agreement. The directors of the Company have suggested that the Company does not own Kagool Inc and that the balance sheet detailing this is incorrect.
- 5.25 The Joint Administrators have contacted the former accountants in respect of the accounts and are working to clarify the position

Steps taken in regards to creditors

- 5.26 Prior to appointment, the employees were made aware of the impending Administration by the directors. The staff were made aware of the sale of the business and assets to the Purchaser and they were informed that their employment has been transferred to the Purchaser under the Transfer of Undertakings (protection of Employment) Rights of 2006. As the employees have been transferred, no preferential claims shall arise in relation to arrears of wages and outstanding holiday pay.
- 5.27 The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.
- 5.28 The Joint Administrators' staff continue to liaise with UKWC regarding the position with the book debts and correspondence is ongoing to assist the UKWC in assessing their position.

Instruction of specialists

- 5.29 When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Solicitors

- 5.30 To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed FWJ, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.31 FWJ are advising in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with matters arising in the Administration.

5.32 Legal advice has been required in relation to the Company's leasehold interest as the Purchaser was granted a licence to occupy the leasehold property of the Company on completion of the sale of business and assets whilst consent is obtained from the landlord for the assignment of the lease. The Joint Administrators have instructed their legal advisers to manage the assignment of lease and this process is ongoing.

5.33 Fees are based upon the recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

5.34 To date, time costs of £11,003.50 have been incurred and remain outstanding.

Pension advisors

5.35 SP Insolvency Limited, a specialist pension and insolvency service, was instructed by to assist in respect of the Company's pension and life assurance schemes and, specifically in completing and submitting notification of the Administration to The Pension Protection Fund, The Pension Regulator and the pension scheme itself. A fixed fee of £818.00 was agreed and has been paid for the initial notices and an additional fee of £3,600.00 has been agreed for the completion and submission of the RP15.

5.36 Whilst this work could have been carried out by our staff, it was deemed that this should be subcontracted for the following reasons:

- the notices were required to be submitted within 14 days of appointment and it was considered that SP Insolvency Limited would ensure that this was completed within the 14-day requirement; and
- the cost of instructing SP Insolvency Limited was considered to be less than the cost of our staff undertaking the work, which was estimated to amount to £6,000.00.

Business rates specialists

5.37 CAPA, a firm of consultancy and brokerage agents, were instructed to undertake a property audit on the Company's premises. CAPA charge on a contingency basis of 25%, directly relating to the performance on a conditional fee agreement basis.

5.38 All professional fees will be reviewed before being approved for payment.

Investigation into the Company's affairs prior to the Administration

5.39 The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

5.40 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the outcomes for creditors

6.1 An estimated statement of the Company's affairs has been submitted by Daniel Barlow, director of the Company, a copy of which is enclosed at Appendix 5.

6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

6.3 Enclosed at Appendix 6 is the Joint Administrators' receipts and payments account for the period from 3 November 2023 to 19 December 2023.

6.4 Also enclosed at Appendix 7 is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.

6.5 The Act requires Administrators to make a prescribed part of the Company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts. The prescribed part will not apply in this case as the secured creditor does not have a floating charge.

6.6 In summary, it is anticipated that there will be sufficient funds to pay a distribution to preferential and secondary preferential creditors.

7. The Joint Administrators' fees

7.1 The Joint Administrators propose to fix their fees on the following basis:

- *That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken estimated to total £65,257.65 plus expenses plus VAT. This estimate has been calculated on the understanding that no complex investigatory matters shall be required and that the Administration shall be concluded within 12 months.*

7.2 Enclosed at Appendix 8 is the Joint Administrators' fees estimate. Enclosed at Appendix 9 is a breakdown of the time costs incurred in the Administration to 19 December 2023 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix 10.

7.3 The estimated outcome statement at Appendix 7 provides an overview of the financial benefit that this work is expected to bring to creditors.

7.4 Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfdm.pdf>, a hard copy will be provided on request.

8. The Joint Administrators' expenses

8.1 Enclosed at Appendix 10 are details of the expenses that the Joint Administrators expect to incur in the Administration.

8.2 Expenses fall into two categories: category 1 and category 2.

8.3 Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of the Joint Administrators. Administrators may discharge category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

8.4 Category 2 expenses are payments to associates or which have an element of shared costs. Payments may only be made in relation to category 2 expenses after the relevant creditors have approved the bases of their calculation.

9. The Joint Administrators' discharge

9.1 The Joint Administrators' appointment was made under Paragraph 10 of Schedule B1 to the Act upon the application to the court. Therefore, the Act requires that an application to court prior to ceasing to act be made by the Joint Administrators to obtain their discharge from liability

10. Approval process

Approval of the Statement of Proposals

10.1 Enclosed at Appendix 11 is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix 12, which sets out in detail what further work the Joint Administrators propose to undertake

10.2 The Joint Administrators are seeking creditors' approval of the Statement of Proposals by means of the process set out in Rule 15.7 of the Rules.

Other decisions

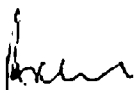
10.3 The Joint Administrators are also inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee
- The timing of the Joint Administrators' discharge from liability
- In the event that a creditors' committee is not established:
 - The basis on which the Joint Administrators' fees shall be fixed
 - The approval of the unpaid pre-Administration costs
 - The approval of the basis of Category 2 expenses

10.4 Enclosed at Appendix 12 are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

10.5 If any creditor has any queries in relation to the above, please do not hesitate to contact Daisy Luck of this office.

Dated this 19th day of December 2023



Peter Kubik
Joint Administrator

Peter Kubik and Brian Johnson were appointed Joint Administrators of 05092653 Limited formerly Kagool Ltd on 3 November 2023. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix 1: Definitions

| | |
|----------------------------|---|
| The Act | The Insolvency Act 1986 |
| The Rules | The Insolvency (England & Wales) Rules 2016 |
| The Statement of Proposals | The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act |
| The Joint Administrators | Peter Kubik and Brian Johnson |
| The Company | 05092653 Limited formerly Kagool Ltd (in Administration) |
| The Court | The High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (Chd) |
| EBIT | Earnings before interest and tax |
| SPA | Sale and Purchase Agreement |
| RPO | The Redundancy Payments Office |
| HMRC | HM Revenue & Customs |
| ROT | Retention of Title |
| EOS | Estimated Outcome Statement |
| PP or Prescribed Part | The Prescribed Part of the Company's net property subject to Section 176A of the Act |
| QFCH | Qualifying Floating Charge Holder |
| SIP | Statement of Insolvency Practice (England & Wales) |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |

Appendix 2: Statutory and financial information

| | |
|---|--|
| Company name: | 05092653 Limited |
| Previous name: | Kagool Ltd |
| Proceedings: | In Administration |
| Court: | The High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (Chd) |
| Court reference: | CR-2023-005781 |
| Date of appointment: | 3 November 2023 |
| Appointed by: | The Court |
| Joint Administrators: | Peter Kubik and Brian Johnson UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW |
| Statement required by Paragraph 100(2) of Schedule B1 of the Act: | The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them |
| Registered office: | c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW |
| Company number: | 05092653 |
| Incorporation date: | 2 April 2004 |
| Directors at date of Appointment: | Daniel Barlow Prashant Patel |
| Directors' shareholdings: | Daniel Barlow - 102 Ordinary Prashant Patel - 98 Ordinary B |

Profit and loss account – management account

Kagool

Profit and Loss

30 September, 2022 - 30 September, 2023

| | TOTAL |
|----------------------|-----------------|
| Income | £14,196,223.16 |
| Cost of Sales | £11,382,050.64 |
| GROSS PROFIT | £2,814,172.62 |
| Expenses | £8,199,860.09 |
| NET OPERATING INCOME | £ -5,385,687.47 |
| Other Income | £1,215.39 |
| Other Expenses | £983,833.45 |
| NET OTHER INCOME | £ -982,718.06 |
| NET INCOME | £ -6,368,405.54 |

Summary balance sheet

| | Draft Management Accounts for year to 30 September 2023 £ | Unaudited Statutory Accounts for year to 31 July 2022 £ | Audited Statutory Accounts for year to 31 July 2021 £ |
|--|--|--|--|
| Fixed assets | | | |
| Tangible assets | 92,248.29 | 189,830.00 | 188,848.00 |
| Intangible assets | - | - | - |
| Investments | 40,657.82 | 40,673.00 | 17,970.00 |
| | 134,906.11 | 230,503.00 | 206,818.00 |
| Current assets | | | |
| Debtors | 4,688,811.60 | 4,365,332.00 | 2,800,255.00 |
| Prepayments | 192,083.93 | 1,063,311.00 | 774,914.00 |
| Cash at bank | 59,388.55 | 401,176.00 | 139,107.00 |
| | 4,940,284.08 | 5,829,819.00 | 3,714,276.00 |
| Creditors | | | |
| Amounts falling due within one year | 13,271,022.13 | 5,527,083.00 | 2,999,017.00 |
| Amounts falling due after more than one year | - | 1,945,378.00 | 143,378.00 |
| | (8,195,831.94) | (1,412,139.00) | 778,699.00 |
| Net (liabilities)/assets | | | |
| | (8,195,831.94) | (1,412,139.00) | 778,699.00 |
| Capital and reserves | | | |
| Called up share capital | 2 | 2 | 2 |
| Retained earnings | (8,195,831.94) | (1,412,141.00) | 778,697.00 |
| | (8,195,833.90) | (1,412,139.00) | 778,699.00 |
| Shareholders' funds | | | |
| | (8,195,833.90) | (1,412,139.00) | 778,699.00 |

Appendix 3: Statement of pre-administration costs

Prior to UHY Hacker Young LLP's involvement, the Company had instructed their legal representatives, FWJ, in August 2023 to advise the Company in relation to matters such as the directors' responsibilities, reviewing the financial position of the Company and detailing the options available for dealing with the Company's challenging financial situation. Advice was also provided in relation to the Company's employees. The financial position of the Company was discussed with the directors, including an introduction to UHY Hacker Young LLP in order to expedite matters and assist with a smooth transition into the Administration should this be the best the option for the Company. FWJ have incurred time costs of £33,919.00 plus VAT for their pre insolvency involvement and £3,780.00 plus VAT for expenses.

On 29 September 2023, the directors of the Company agreed that UHY Hacker Young LLP be paid fees for work done prior to the administration, on the basis of time costs incurred by the proposed office holders and staff at UHY Hacker Young LLP's standard charge-out plus related expenses and VAT, estimated to be no more than £45,000.00, for the following tasks and matters:

- administration and planning: undertaking company searches, set up on UHY Hacker Young LLP's database, review of information provided, undertaking a financial review of the Company, assisting the directors of the Company in testing the market to explore a potential pre-pack sale, ascertaining the level of interest in the Company and its assets, providing advice regarding the Administration process, preparing the appointment documents,
- realisation of assets: liaising with agents, discussions regarding the marketing strategy and sale process, review of the sales pack, liaising with agents re interested parties, review of offers received, negotiations with interested parties, instruction of solicitors to prepare the sale agreement, negotiation of the sale agreement;
- creditors: emails and calls with creditors regarding the proposed administration and strategy;

Upon instruction, the Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an administration objective.

John Pye, a firm of agents, were instructed by the Company to market the business and assets for sale. FWJ were engaged to prepare the sale agreement and associated documents, such as the licence to occupy.

This work was carried out prior to administration so that there would be no delay in us implementing the strategy immediately on appointment, i.e. allowing the business and assets to be sold in a pre-pack sale immediately upon entering administration, which improved the likelihood that significantly enhanced realisations could be achieved for the business and assets, thus furthering the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second administration objective would improve the prospects of recovery.

In conducting the above work, the following costs were incurred, all of which are exclusive of VAT:

| Firm | Amount incurred (£) | Amount outstanding (£) |
|----------------------|------------------------|---------------------------|
| UHY Hacker Young LLP | 30,936.50 | 5,936.50 |
| FWJ | 37,699.00 | 37,699.00 |
| John Pye | 25,950.45 | 25,950.45* |

**plus 15% of total realised from unapproved WIP and undocumented WIP consideration*

The Joint Administrators have received payment from the Company of £25,000.00 plus VAT on account of their pre-administration time costs and the balance remains unpaid.

Time cost matrix for pre appointment fees

| Classification of work function | Partner Hours | Snr manager Hours | Asst manager Hours | Administrator Hours | Junior administrator Hours | Total hours | Total cost £ | Avg hourly rate £ |
|------------------------------------|------------------|----------------------|-----------------------|------------------------|-------------------------------|-------------|-----------------|----------------------|
| Administration and planning | | | | | | | | |
| Administrative set-up | 0.60 | 0.00 | 0.00 | 5.00 | 0.40 | 5.40 | 1,040.00 | 201.85 |
| Appointment notification | 0.60 | 0.00 | 0.00 | 8.50 | 0.00 | 0.50 | 105.00 | 210.00 |
| Case planning | 8.80 | 3.12 | 19.50 | 27.70 | 0.10 | 63.90 | 19,149.50 | 299.64 |
| Maintenance of records | 0.60 | 0.00 | 0.00 | 2.00 | 0.00 | 2.00 | 420.00 | 210.00 |
| Statutory reporting | 0.60 | 0.00 | 5.80 | 1.40 | 0.00 | 7.20 | 1,859.00 | 262.56 |
| Realisation of assets | | | | | | | | |
| Debt collection | 0.60 | 1.00 | 0.00 | 8.00 | 0.00 | 1.00 | 400.00 | 400.00 |
| Securing and insuring assets | 0.60 | 0.00 | 2.90 | 1.20 | 0.00 | 4.10 | 1,049.50 | 255.98 |
| Property, business and asset sales | 0.40 | 4.40 | 0.00 | 3.30 | 0.00 | 14.10 | 6,039.00 | 428.30 |
| Retention of title | 0.60 | 0.00 | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | | | | | | | | |
| Creditors' claims | 0.30 | 0.40 | 0.30 | 1.70 | 0.00 | 2.70 | 764.50 | 283.15 |
| Communication with creditors | 0.40 | 0.00 | 0.00 | 8.00 | 0.30 | 0.30 | 30.00 | 100.00 |
| TOTAL HOURS | 15.30 | 13.60 | 29.50 | 42.80 | 0.80 | 101.20 | | |
| TOTAL TIME CHARGED (£) | 13,591.00 | 63,440.00 | 57,837.50 | 48,988.00 | 280.00 | | £20,946.50 | |
| Average hourly cost (£) | 554.26 | 400.00 | 275.00 | 210.00 | 100.00 | | | 305.70 |

All figures are shown net of VAT

Appendix 4: SIP16 Statement

Following Statement of Insolvency Practice 16, the details regarding the sale of the Company's business and assets are provided below ("the Sale") together with details of the events leading up to the Sale.

PRE-PACKAGED SALE

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to achieve a better result for the Company's creditors than would be likely if the Company were wound up without first being in Administration.

The Sale enabled the statutory purpose to be achieved and in the view of the Joint Administrators, the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. The explanation and justification of why a pre-packaged sale was undertaken is below.

The roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an Insolvency Practitioner's firm is initially engaged by the insolvent company to help its board of directors to consider the Company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an Administration is appropriate, the Company may then instruct the insolvency Practitioner's firm to assist the Company or its directors to issue the statutory notices to commence the process and to assist the Company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances.

Once appointed as Administrator, the role of the Insolvency Practitioner is to manage the Company's affairs, business and assets with the objective of achieving a statutory purpose of an Administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When instructed to advise the Company before administration, the Insolvency Practitioner makes it clear that their role is not to advise the directors personally or any parties connected with any potential purchaser, who should be encouraged to take independent advice.

In this case, prior to commencement of the Administration, UHY Hacker Young LLP acted as advisors to the Board of Directors in relation to the options available to the Company and to test the market to ascertain the level of interest in the Company and its assets. For the avoidance of doubt, neither UHY Hacker Young LLP nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

Once the initial assessment was complete and it was decided that Administration was the best option for the Company, Peter Kubik and Brian Johnson of UHY Hacker Young LLP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime.

Therefore, the Insolvency Practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Ethical considerations

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified.

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

The following third parties were instructed to assist with the process:

| Agent | Nature of the work | Basis of fee |
|------------------------|--|---|
| John Pye & Sons | Valuation, marketing and sale of the business and assets | Fixed fee of £2,700.00 plus VAT and 15% of the realisations achieved from a sale of the business plus out of pocket expenses plus VAT |
| Francis, Wilks & Jones | Legal advice and preparation of the sale agreement | Time costs basis plus expenses plus VAT |

Initial introductions

The Company's directors were referred to UHY Hacker Young LLP by Francis Wilks & Jones on 15 September 2023 to help advise on the options available for the Company.

Pre-appointment matters

In addition to advising on the Company's options, UHY Hacker Young LLP's advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. A signed engagement letter was received from the directors of the Company on 29 September 2023.

The fee agreed in respect of the pre-appointment advice was the time costs properly incurred by staff at UHY Hacker Young LLP's standard charge out rates estimated to total £45,000.00 plus

expenses and VAT. The sum of £25,000.00 plus VAT has been received from the Company on account of these pre-appointment fees.

The Company provided IT consultancy services, specialising in data analytics and ERP it traded as Kagool Ltd from 5th Floor, One Friargate, Station Square, Coventry CV1 2GN.

The Company granted the following security over the Company's book debts:

| <u>Type of security</u> | <u>Name of charge-holder</u> | <u>Date of creation of security</u> |
|-------------------------|------------------------------|-------------------------------------|
| Deed | UK Working Capital Limited | 10 December 2021 |

The directors advised that the Company had become insolvent due to the following factors: -

- Global supply chain issues arising in 2022 following the Covid 19 pandemic resulting in the cessation and delay of large projects. The growing unpredictability of a project's likelihood to continue resulted in higher staff costs and financial planning became more difficult for the Company.
- A global drop in business Information Technology spending; and
- Increase in general costs due to Covid-19, the energy cost crisis and inflation.

By mid-October 2023, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were in a position to advance the necessary funding to discharge scheduled payments to HM Revenue and Customs ('HMRC') due in mid-October, November and December 2023.

A review of the Company's cash-flow revealed that there would be insufficient working capital to allow the Company to continue to trade in the medium term in order for a purchaser to be found.

There were no requests made to potential funders because it was considered necessary to initiate an insolvency process as soon as possible and, having reviewed the projected cash flow, trading would be loss-making. There would also be the additional costs of the Joint Administrators in managing ongoing trading. Therefore, it was not considered to be in the creditors' interests to prepare to trade on during Administration

The options listed below were considered with the directors.

Continuing to trade outside insolvency or through a Moratorium

The Company had exhausted its available cash resources, and its cash constraints were impacting on its ability to continue trading.

The Company's shareholders confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. However, it was decided that this was not the best course of action to take, as issuing notices initiating the liquidation process would have damaged the Company's ability to continue to trade. There would also have been no realisation for goodwill, intellectual property and work in progress realisations would have been greatly affected.

Pre-packaged administration sale

There was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and potentially the lease on the trading premises and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill.

The Joint Administrators' options on appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's major creditor, HMRC, was contacted by the Company's solicitors and advised of the position. HMRC took a neutral stance to the Court Application.

Marketing of the business and assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company. The Joint Administrators were not advised of any interested party apart from the directors' purchasing entity.

The directors were asked to advise of any marketing conducted by the Company prior to approaching UHY Hacker Young LLP for advice. The Joint Administrators were advised that the directors intended to engage with specialist independent valuation agents to obtain an impartial valuation of the Company with the intention of ascertaining the level of interest in the market should the business assets be placed up for sale. At this stage no marketing had commenced and no agents had been instructed.

Agents, John Pye & Sons Ltd ('the Agents'), were then instructed by the Company prior to the Joint Administrators appointment to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the Agents that the marketing and media coverage would commence on 10 October 2023 and would include marketing the business as widely as possible. This would involve advertising on the Agents' and other websites including LinkedIn, Twitter and Facebook and IP-Bid. In addition to this, an advert was to be distributed by email to the Agents' database of over 347,000 buyers and investors. The deadline for quantified expressions of interest was set for 12 noon on Tuesday 24 October 2023.

Marketing was undertaken for a period of 14 days to protect the value of the Company's assets and to manage increasing creditor pressure and cash flow difficulties.

The Company holds a Sponsor License which the majority of the employees rely upon to live and work in the UK. It was critical for both the employees and creditors of the Company that the additional liabilities arising from redundancy were avoided. The Joint Administrators were satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

| | Market In Situ | Market ex situ | Ex-situ with special assumptions |
|---|---------------------------|---------------------------|---|
| | £ | £ | £ |
| Unencumbered assets | | | |
| Office furniture and computer equipment | 132,000.00 | 47,000.00 | 34,000.00 |
| Intellectual property | 185,000.00-295,000.00 | - | 0.00 |
| Encumbered assets | | | |
| Equity of encumbered assets | Not applicable | Not applicable | Not applicable |

In relation to the business and assets, the Agents' received 7 formal expressions of interest and sent out 63 non-disclosure agreements to parties who requested further information. Subsequently, 31 parties were provided with the information packs. Only 1 offer was received by the deadline set.

The chosen marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances as all employees were able to transfer pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006 to the Buyer without interruption to their employment, thereby reducing the estimated preferential claim in the Administration. In addition, the Sale facilitated a higher realisation value for goodwill and work in progress.

Valuation of the business and assets

The Agents were instructed on 5 October 2023 by the directors to value the business and assets of the Company. They confirmed their independence and are qualified by The National Association of Valuers and Auctioneers. As per the valuation report provided, the Agents' have adequate professional indemnity insurance.

The valuation report was received on 10 October 2023 and is summarised below:-

An in situ valuation reflects the estimated amount for which the assets could be sold as a whole in their working place. The ex-situ basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise if sale negotiations deteriorated, and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets, although lower than the global in-situ valuation figure from the Agents' report is greater than the Agents' appraisal with respect to what could be achieved from the assets alone in a break-up scenario less any costs of sale.

The transaction

The purchaser and related parties

A sale of the business and assets was completed on 3 November 2023 with Sparq Consulting Ltd ('Sparq').

Mr Daniel Barlow and Mr Prashant Patel who are the directors of the Company, are directors and shareholders of Sparq. The Sale Agreement is between the insolvent Company and Sparq only.

The assets and sale consideration

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

| Asset | £ |
|---|--|
| Goodwill | 100,000.00 |
| Office equipment, plant and machinery and stock | 15,000.00 |
| (the benefit (subject to the burden) of the Business Contracts and Seller's Records | 1.00 |
| The Business Intellectual Property Rights | 1.00 |
| Kagool Data Private Shares | 30,000.00 |
| Kagool SDN, BHD Shares | 15,000.00 |
| Kagool PTE Ltd Shares | 1.00 |
| Total | 160,003.00 |
| Unfinished WIP consideration | 80% of the value billed and paid after the Completion Date |
| Undocumented WIP consideration | 50% of the value billed and paid after the Completion date |

There were approximately 104 employees who were transferred as part of the Sale.

Initial consideration of £40,003.00 was received on completion. The deferred consideration shall be payable as to £24,000.00 per month due on or before the 3rd day of each calendar month following the completion date for 5 months with first payment to be made on 3 December 2023.

The business and assets were secured by obtaining a debenture over the purchaser's assets.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

A licence to occupy was granted in respect of 5th Floor, Friargate House, Coventry CV1 2GN for a period of 4 months whilst negotiations with the landlord of the property are progressed.

Connected person transactions

Viability statement

A viability statement is yet to be received from the purchaser.

The Evaluator's Report

Regulations require connected persons who are proposing to purchase all or a substantial part of the business or assets of a company via a pre-packaged sale to obtain a report from an independent party called an evaluator.

Enclosed is a copy of the evaluator's report.

Evaluators report



79 Swarraton,
Alresford, Hampshire SO24 9TQ

info@branta.co.uk

STRICTLY PRIVATE AND CONFIDENTIAL

Our Ref: 001/KL/ARF
Contact: antony@branta.co.uk

Mr D Barlow
SparQ Consulting Limited
44 Westfield Road
Edgbaston
Birmingham B15 3QG

By email

1 November 2023

Dear Mr Barlow,

EVALUATOR'S REPORT REGARDING THE PROSPECTIVE ACQUISITION OF SUBSTANTIALLY ALL OF THE BUSINESS AND ASSETS OF KAGOOL LIMITED - COMPANY NUMBER 05092653 (THE COMPANY) BY SPARQ CONSULTING LIMITED - COMPANY NUMBER 06983644 (THE PURCHASER)

1. Introduction

- 1.1. The Company is in the IT Consulting Sector.
- 1.2. I am advised that the IT sector suffered a significant reduction in market size from around September 2022 in the UK/EU/US due to impact on demand from the energy crisis. This had a significant impact on the Company with projects delayed and ultimately cancelled, compounding issues from earlier in 2022 when the Company was indirectly impacted by global supply chain issues via its manufacturing clients.
- 1.3. Over this period the Company ran up large HMRC debts.
- 1.4. It became clear that the Company would be unable to meet the HMRC payment plan and HMRC made it clear that if the Company missed a repayment they would trigger winding up action.
- 1.5. In August 2023, the Company took professional advice from James Roberts of Francis Wilks and Jones to support the HMRC repayment negotiations and in parallel explore alternative options for the company in the event that the company

could not reach an agreement with HMRC or cashflows made impacted HMRC repayments

1.6 James Roberts, in turn, introduced the Company to UHY Hacker Young- the prospective administrators- on 13 September 2023 to explore the Administration option.

1.7. Since the Purchaser plans to employ the two directors of the Company, Daniel Barlow and Prashant Patel, the Purchaser requires an Evaluator's report due to the impact of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 (The Regulations).

1.8. I understand that you wish to complete the acquisition as soon as possible

2. Purpose and limitations of this report

2.1. The Independent Evaluator's Report has been prepared to comply with the requirements of the Regulations.

2.2 It has been prepared for the sole use of the Purchaser and the Administrators and no other party is entitled to rely upon it.

2.3. Please note that the Independent Evaluator's Report will only be valid if on completion of the sale there have been no material changes since the date on which the report was made to:

2.3.1 the relevant property.

2.3.2. the terms of the substantial disposal, or

2.3.3. any circumstances relating to the substantial disposal (Viz Regulation 6(1)(c) of the Regulations).

3. Information relied on

3.1 I report on the basis of information provided to me, primarily the following:

3.1.1. Copy of the Purchaser's offer submitted by Spencer West;

3.1.2. John Pye and Sons Limited's (Pye) report concerning the marketing of the business and assets, the offer received and their recommendations;

3.1.3. Company searches for the Company and the Purchaser;

3.1.4. The Purchaser's statutory accounts for the year to 31 August 2022;

3.1.5. Correspondence with Mr Barlow;

3.1.6. Mr Barlow's replies to my pro-forma requests;

3.1.7. Email correspondence with Mr Kubik of UHY.

3.2 I have taken the information with which I have been presented at face value and

have not and will not undertake any audit or any other verification process on that information.

3.3. I do not have access to any other confidential information or company records.

4. The Administrators

The proposed administrators are Mr Peter Kubik and Mr Brian Johnson of UHY Hacker Young (together the Administrators).

5. The Qualifications of the Evaluator (Regulations 7 a) and b))

- 5.1. The Evaluator is Antony Robert Fanshawe acting as a consultant to Branta Advisory Limited.
- 5.2. Mr Fanshawe is a chartered accountant (FCA) and a former licensed insolvency practitioner who trained with PwC. He also has an MBA (University of Bath 2002) and is a member of the Expert Witness Institute
- 5.3. He has worked in the field of insolvency since 1981, and was a licensed insolvency practitioner from 1987 till the end of 2017.
- 5.4. He ran a successful firm of Insolvency Practitioners, Fanshawe Lofts, from 1990 till 2008 when it was sold.
- 5.5 Following a period working for the purchaser of his firm, In 2013 he founded FPN Limited which specialized in owner manager Corporate Finance work. FPN is now closed and Mr Fanshawe is, inter alia, working as a consultant to Branta Advisory Limited.
- 5.6 Mr Fanshawe has since the turn of this century undertaken forensic, litigation support and valuation advice drawing on his training and experience.
- 5.7 In view of his skills and experience, Mr Fanshawe has offered his services as an Evaluator.
- 5.8 In addition to some forensic work and continuing Corporate Finance and restructuring advisory work, Mr Fanshawe is a founder director of two early stage businesses; one consulting on and supplying Cross Laminated Timber (CLT) and another which organizes a group of Wessex based entrepreneurs looking to improve and scale their businesses.
- 5.9 He has long and extensive experience of undertaking sales of businesses and assets as both administrative receiver and administrator, in addition to experience of successful company sales and valuations of going concerns, giving him a good understanding of both going concern valuation principles, the practice of distressed

M&A and insolvency practice in the UK.

6. Professional Indemnity Insurance (Regulation 7c))

6.1. I confirm that Branta Advisory Limited has professional indemnity insurance as follows.

6.1.1. Provided by Hiscox Underwriting Limited, 1 Great St Helen's, London EC3A 6HX.

6.1.2. Policy Number PL-PSC10002988973/00

6.1.3. The limit of indemnity for third party claims is £250,000 in the aggregate

6.2. The risks covered are:

6.2.1. Negligence or breach of a duty of care;

6.2.2. Negligent mis-statement or negligent mis-representation .

6.2.3. Infringement of intellectual property rights including copyright, trademark or moral rights or any act of passing off;

6.2.4 Breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;

6.2.5. Defamation;

6.2.6. Dishonesty of your individual partners, directors or employees, or subcontractors or outsourcers directly contracted to you and under your supervision; or

6.2.7. Any other civil liability.

6.3. There are no specific exclusions from the cover.

7. Identification of the Property (Regulation 7d))

7.1. The assets listed in the Purchaser's offer are:

7.1.1 Intellectual Property and Intellectual Property Rights;

7.1.2. Goodwill and the name;

7.1.3. Office furniture and equipment (including computer hardware) and Stock;

7.1.4 Customer contracts and Customers;

7.1.5. The Shares in Kagool Data Private Ltd (India);

7.1.6. The Shares in Kagool SDN,BHD (Malaysia);

7.1.7. The Shares in Kagool Singapore;

7.1.8. Work in progress

7.2. For the avoidance of doubt the assets offered for sale exclude book debts, cash and shares in the Qatari subsidiary.

8. Prior Reports (Regulations 7 e) and 8)

Mr Daniel Barlow has confirmed to me that there have been no prior Evaluator Reports

9. Marketing of the Business and Assets

9.1. Pye were instructed by the Administrators to undertake a marketing campaign. They report:

"A marketing campaign was undertaken, and all the adverts went live on our website, LinkedIn, Twitter and FaceBook pages on 12 October 2023. Our website has had over 452,569 unique users from 1 October to 24 October 2023 and our social media pages have a combined following of just under 134,000. The advert was also posted on IP-Bid on 11 October 2023. In addition to this, we emailed the advert to our database of just over 347,000 buyers and investors. The deadline for quantified expressions of interest was set for 12 noon on Tuesday 24 October 2023.

In relation to the business and assets, we received 74 expressions of interest. We sent out 63 NDA's, and 34 parties signed and returned these. Following the returned and signed NDA's we provided 31 parties with the information packs. 23 of the parties wished to take their interest further so we requested proof of funding at this time in order to release the company name. Only 4 parties provided proof of funding. Following the release of the company name, 2 parties confirmed they were not proceeding, and we received 1 offer by the deadline set.

In our opinion due to the circumstances of the case and the timings involved, if any further marketing was to be undertaken, we feel the level of due diligence that could be carried out by an alternative third party would be extremely limited and as such any third-party offer, if presented at all, is likely to be speculative and much lower than the offer presented. This is evident by the marketing already undertaken."

9.2 In summary, Pye have run an extensive marketing campaign and received one offer, from the Purchaser, from that campaign, which they consider to be the best available in the circumstances.

9.3. The Administrators have shared their valuation report with me which supports that view.

10. The Nature and amount of the consideration (Regulation 7 f)) and the liabilities to be settled or adopted

10.1 The Purchaser offered the following (subject to contract) by way of a letter from Spencer West dated 23 October 2023:

- 10.1.1. The sum of £160,003 plus a percentage of the WIP as follows:
- 10.1.2. Intellectual Property and Intellectual Property Rights - £1
- 10.1.3. Goodwill and the name - £100,000
- 10.1.4. Office furniture and equipment (including computer hardware) - £15,000
- 10.1.5. Customer contracts and Customers - £1
- 10.1.6. The Shares in Kagool Data Private Ltd (India) - £30,000
- 10.1.7. The Shares in Kagool SDN,BHD (Malaysia) - £15,000
- 10.1.8. The Shares in Kagool Singapore - £1
- 10.1.9. 50% of the work in progress which is billed and paid to the Buyer within 12 months from the date of completion of the sale and purchase.

10.2 The Purchaser has agreed to pay the Price as to:

- 10.2.1. £60,003 in cleared funds on completion of the sale and purchase agreement,
- 10.2.2. £100,000 by 5 equal monthly instalments of £20,000 commencing the month following the date of completion of the sale and purchase; and
- 10.2.3. 50% of the WIP which is billed by the Buyer and paid by a customer in each month payable within 30 days of the end of the month of receipt for a period of 12 months.

10.3 Mr Barlow has updated the Purchaser's offer regarding Work in Progress, as follows (31.10.23)

Unapproved Work in Progress: the value of all work completed by the Seller but not yet accepted by Customers pursuant to any one or more Customer Contract at Appointment and as more particularly set out in Part 1 of Schedule [xx].

Unapproved WIP Consideration: Eighty percent (80%) of the value of the Unapproved Work in Progress invoiced by and paid to the Buyer in the period of 12 months after the Completion Date and payable in cleared funds to the client account of the Administrators' Solicitor.

Unfinished Work in Progress: the value of all work completed by the Seller but not documented in accordance with one or more Customer Contract at Appointment and as more particularly set out in Part 2 of Schedule [xx].

Unfinished WIP Consideration: Fifty percent (50%) of the value of the Unfinished Work in Progress invoiced by and paid to the Buyer in the period of 12 months after the

Completion Date and payable in cleared funds to the client account of the Administrators' Solicitor in accordance with Clause 3

Work in Progress: the total value of the Unapproved Work in Progress and the Unfinished Work in Progress.

WIP Consideration: the Unapproved WIP Consideration and the Unfinished WIP Consideration."

This is consistent with Pye's understanding and statement of the position. The payment procedures will be amended accordingly.

- 10.4 The Purchaser has varied the timing of the Purchase Price since its Offer so as to be payable as to (a) £40,003 on the Completion Date and (b) £120,000 as deferred consideration payable in equal monthly instalments of £20,000 with the first payment being made on 03 December 2003.
- 10.5 The Administrators advise me that they intend to request a charge over the assets of the Purchaser to secure the payment of the deferred consideration.
- 10.6 Spencer West on behalf of the Purchaser have relayed the information provided to them by the Seller to me which records that the value of the Unapproved Work in Progress at 27 October 2023 was £44,106 and the value of the Unfinished Work in Progress at the same date was £134,196. These values will vary by the date of proposed completion on 3 November 2023.
- 10.7 The Purchaser intends to continue the property lease under a bare licence on a month to month basis for a maximum of 4 months post completion with a view to re-negotiating the lease if possible.
- 10.8 On acquisition the Purchaser will adopt the Company's liabilities for the employees' accrued rights (arrears, holiday pay, redundancy, pay in lieu of notice) by the operation of TUPE. I have limited information but can say the following.
 - 10.8.1 There are, I am told, 104 employees of whom 71 will have more than 2 years' service on completion of this deal (and therefore redundancy claims and potentially statutory pay in lieu of notice claims). The liability has not been calculated but is likely to be substantial.
 - 10.8.2 Arrears of pay will total £115,000 at 3 November 2023;
- 10.9 In addition the Purchaser intends to honour the Company's obligations in respect of expenses which are £25,148 in the UK and a further £257 in Malaysia.

11. The Connected Person (Regulation 7g))

The Connected Persons are Messrs Daniel James Barlow and Prashat Vithal Patel

who are both directors of the Company and of the Purchaser (The Directors).

12. Independence of the Evaluator (Regulation 12)

12.1 Neither I nor Branta Advisory Limited are connected with or associates of either the Company, or the Purchaser, or the Directors and we do not have any conflicts of interest (as defined in the Regulations) in relation to them.

12.2 I also confirm that neither I nor Branta Advisory Limited has given any professional advice to the Company, the Purchaser or the Directors in relation to insolvency, corporate rescue or restructuring.

13. Exclusions from Acting as Evaluator (Regulation 13)

I do not fall into any of the categories of persons excluded from providing an Evaluator's Report as set out in Regulation 13.

14. The Administrators' alternatives and the benefits of achieving a sale as a going concern

14.1 The Administrators' only realistic alternative in the event that a sale of the Business as a going concern is not achieved is to close the business and realise the Company's assets on a break up, ex situ, basis.

14.2. Pye have confirmed that in their opinion;

"Acceptance of the offer will present a far better realisation for the Administrator and creditors overall. The offer presented, although lower than our global in-situ valuation is greater than our appraisal with respect to what we could achieve from the assets alone in a break-up scenario less any costs of sale".

14.3. In our view acceptance of the Purchaser's offer will likely be beneficial for the estate, given that:

14.3.1. The consideration offers a "far better realisation for the Administrator and creditors overall" than a break-up realisation.;

14.3.2. The Purchaser has agreed to occupy the premises for 4 months and meet the outgoings, with a view to negotiating a new lease or transfer of the existing lease, mitigating the landlord's claim;

14.3.3. The Company's actual and contingent liabilities regarding staff will be met by the Purchaser. I am aware of liabilities of c. £140,000 in respect of arrears and expenses to which will be added holiday pay and contingent

redundancy and pay in lieu of notice claims

14.4. The deal contemplated also has the advantage of allowing a business to re-establish itself with the promise that it will benefit the wider community by offering employment and paying taxes in the future.

15. Conclusion

15.1. I am required to conclude whether the Offer meets the criteria in the Regulations that the "consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances".

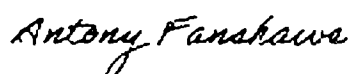
15.2. For the reasons given in Paragraph 14 I conclude that the Offer meets these criteria.

16. Other

16.1. I confirm that I am sending a copy of this report by email to the Administrators for the attention of the Mr Peter Kubik.

16.2. If you have any questions concerning this report please contact me.

Yours sincerely



Antony Fanshawe MBA, FCA

Authenticated in accordance with Rule 1.5 The Insolvency (England and Wales) Rules 2016

Branta Advisory Limited

Reg Office: 29 Swarraton, Alresford, Hants SO24 9TQ

Reg No. 11685363

Appendix 5: Director's estimated Statement of Affairs

STATEMENT OF AFFAIRS

Company name: 05092653 Limited - In Administration ("the Company")
Company number: 05092653

In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) Reference No. CR-2023-005781

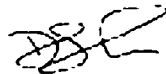
Statement as to the affairs of (a) Daniel Barlow of 44 Westfield Road, Edgbaston, Birmingham B15 3QG
on 3 November 2023, the date that the Company entered administration

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 3 November 2023, the date that the Company entered administration.

I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name: Daniel James Barlow



Signed _____

Dated 18-Dec-23

A – Summary of Assets

Assets

| | Book value as at September 2023 £ | Estimated to realise £ |
|--|---|---------------------------|
| Assets subject to a fixed charge: | | |
| Book debts - factored | 1,802,893.65 | 539,721.17 |
| Trade24plus Limited | (2,000,044.00) | (2,000,044.00) |
| Deficiency c/f | | <u>(1,460,822.83)</u> |
| Assets subject to floating charge: | | |
| None | | <u>-</u> |
| Uncharged assets: | | |
| Book debts - not factored | - | Uncertain |
| Business contracts and seller's records | - | 1.00 |
| Cash at bank - GBP | 6,160.72 | 115,551.94 |
| Computer equipment and fixtures and fittings | 101,289.10 | 15,000.00 |
| Directors Loan Account | 48,120.56 | 48,120.56 |
| Goodwill | - | 100,000.00 |
| Intellectual property | - | 1.00 |
| Intercompany loan - Dubai | 1,269,300.78 | Uncertain |
| Intercompany loan - Malaysia | 323,492.98 | Uncertain |
| Intercompany loan - Qatar | 65,451.17 | Uncertain |
| Intercompany loan - Singapore | 2,117.61 | Uncertain |
| Intercompany loan - USA | 552,615.64 | Uncertain |
| Investments in Subsidiaries | 18,097.86 | 45,001.00 |
| Petty cash | 14,052.47 | - |
| Prepayments | 203,522.43 | Uncertain |
| Staff loans | 19,890.90 | 19,890.90 |
| Unapproved WIP consideration | 97,419.00 | *Uncertain |
| Unfinished WIP consideration | 90,909.88 | **Uncertain |
| | | <u>343,566.40</u> |

* estimated to realise 80% of the total

**estimated to realise 50% of the total

Estimated total assets available for preferential creditors

343,566.40

Signature  Date 18-Dec-23

A1 – Summary of Liabilities

| | |
|---|-----------------------|
| Estimated total assets available for preferential creditors (carried from page A) | 343,566.40 |
| Liabilities | |
| Preferential creditors: | |
| Unpaid pension contributions | (15,470.00) |
| Unpaid holiday | - |
| Estimated deficiency / surplus as regards preferential creditors: | 328,096.40 |
| Secondary preferential creditors | |
| HM Revenue and Customs - VAT and PAYE | (5,982,433.31) |
| Total secondary preferential creditors | (5,504,750.84) |
| Estimated deficiency / surplus as regards secondary preferential creditors: | (5,176,654.44) |
| Estimated total assets available for floating charge holders | (5,176,654.44) |
| Debts secured by floating charges | - |
| Estimated total assets available for floating charge holders | (5,176,654.44) |
| Estimated deficiency/surplus of assets after floating charges | (5,176,654.44) |
| Total assets available to unsecured creditors | |
| Unsecured claims (excluding any shortfall to floating charge holders) | |
| Bounceback loan - Barclays Bank Plc | (30,000.00) |
| Employees' claims | - |
| Funding Circle loan | (156,000.00) |
| HMRC - CT tax | - |
| Intercompany loan - US | (843,380.47) |
| Loans | (130,300.00) |
| Trade creditors (47) | (917,086.00) |
| White Oak loan | (75,000.00) |
| Surplus owed to fixed charge creditor - Trade24plus Limited | (459,685.04) |
| | (2,611,451.51) |
| Estimated surplus/deficiency as regards unsecured creditors | (7,788,105.95) |
| Issued and called up capital | |
| Ordinary | (2.00) |
| Estimated total deficiency as regards members | (7,788,107.95) |

Signature 

Date 18-Dec-23

COMPANY CREDITORS (excluding employees and consumers)

| Name of creditor | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|--|---|---------------------|--|------------------------|------------------------|
| Adaptia Solutions Limited | The Long Lodge 265-269 Kingston Road, Wimbledon, London ,SW19 3NW, United Kingdom | 32,400 | Not applicable | Not applicable | Not applicable |
| Alcumus ISOQAR Ltd | Axys House, Parc Nanigarw, Cardiff CF15 7TW | 11,514 | Not applicable | Not applicable | Not applicable |
| Birmingham Tech CIC | ICentrum, Holt Street, Birmingham B7 4BP | 960 | Not applicable | Not applicable | Not applicable |
| British American Business Inc | 5-7 Cranwood Street,LONDON, EC1V 9EE | 7,500 | Not applicable | Not applicable | Not applicable |
| British Business Group | UAE | 1,208 | Not applicable | Not applicable | Not applicable |
| Centre for the New Midlands CIC | 1st Floor, Friars House,Coventry,CV1 2TE,United Kingdom | 1,800 | Not applicable | Not applicable | Not applicable |
| Coventry Crty Council | PO Box 15, The Council House,Coventry, West Midlands CV1 5RR | 220,195 | Not applicable | Not applicable | Not applicable |
| Edgbaston Warwickshire County Cricket Club | Edgbaston Stadium, Birmingham . B5 7QU | 45,000 | Not applicable | Not applicable | Not applicable |
| ES&P IT Solutions Ltd | Park House, Bristol Road South, Rubery,Birmingham B45 9AH | 22,302 | Not applicable | Not applicable | Not applicable |
| Excel London | Excel London Management Office Warehouse K, One Western Gateway, London, England, E16 1XL | 124 | Not applicable | Not applicable | Not applicable |



Signature _____

Date _____

18-Dec-23

| | | | | | |
|----------------------------------|--|---------|----------------|----------------|----------------|
| Fragomen | Excel London Management Office Warehouse K, One Western Gateway, London, England, E16 1XL | 15,380 | Not applicable | Not applicable | Not applicable |
| Fruitrunner Ltd | Avon House, 435 Stratford Road, Shirley, WM, B90 4AA | 203 | Not applicable | Not applicable | Not applicable |
| Gartner U.K. Limited | Gartner U.K. Limited, Tamesis, The Glant, Egham, Surrey TW 20 9AW | 163,019 | Not applicable | Not applicable | Not applicable |
| Gartner España, S.L-EUR | Gartner España, S.L., Edificio Pirámide, Paseo de la Castellana, 31, 7ª planta, 28046 Madrid, España | 11,795 | Not applicable | Not applicable | Not applicable |
| Glennon Consulting Ltd | 149 Park Hill Road, Harborne, Birmingham, B17 9HE | 25,760 | Not applicable | Not applicable | Not applicable |
| Great West House Limited (JLL) | Great West House Limited, Great West House, Great West Road, Brentford , Middlesex, TW89DF | 7,920 | Not applicable | Not applicable | Not applicable |
| Costara Ltd | 15 Wraysbury Drive, West Drayton, Middlesex, UB7 7FL | 70,200 | Not applicable | Not applicable | Not applicable |
| Influence associates ltd | 22 soho square, london, W1D 4NS | 61,801 | Not applicable | Not applicable | Not applicable |
| Instant Office Limited | 16 Tinworth Street, London, SE11 5AL | 1,491 | Not applicable | Not applicable | Not applicable |
| INTEROCEAN GARGO & LOGISTICS LLC | MAAMURA BLDG M02, RQQA, DEIRA, DUBAI | 2,475 | Not applicable | Not applicable | Not applicable |
| ISSI | 142 Woodcrest Place, Santa Cruz, California 95065 | 3,915 | Not applicable | Not applicable | Not applicable |

Signature _____ Date 18-Dec-23

| | | | | | |
|---------------------|---|--------|----------------|----------------|----------------|
| Jahal Diaries | Cannock Road, Wolverhampton, WV1 1PN | 514 | Not applicable | Not applicable | Not applicable |
| Jyoti Travels | 05 GULWANI NIWAS, 1ST & 2ND FLOOR 3RD ROAD NEAR GOBIND DHAMKHAR (W), MUMBAI 400-052. | 3,789 | Not applicable | Not applicable | Not applicable |
| Lang Data Services | 105 Lime Street, Wolverhampton, WV3 0EX | 54,329 | Not applicable | Not applicable | Not applicable |
| Leap Design Limited | Hawk Works, 103 Mary Street, Sheffield S1 4RT | 1,776 | Not applicable | Not applicable | Not applicable |
| Legalle | Legalee BV, Prins Hendrikade 21-E, 1012 TL AMSTERDAM, Netherlands | 1,011 | Not applicable | Not applicable | Not applicable |
| Leni Group | LENI - 94 bis rue Marceau - 93100 MONTREUIL | 1,314 | Not applicable | Not applicable | Not applicable |
| Linked In | LinkedIn Ireland Unlimited Company, Gardner House, Wilton Plaza, Dublin 2, Ireland | 205 | Not applicable | Not applicable | Not applicable |
| Microsoft | Microsoft Ireland Operations Ltd, One Microsoft Place, South County Business Park, Leopardstown, Dublin 18, D18 P521, Ireland | 13,476 | Not applicable | Not applicable | Not applicable |
| Net Defence Ltd | Ogilvie House, 200 Glasgow Road, Stirling, Stirlingshire, FK7 8ES | 1,974 | Not applicable | Not applicable | Not applicable |
| Quanta Corporate | 8-10 The Moors, Worcester, WR1 3EE | 7,985 | Not applicable | Not applicable | Not applicable |
| R & T Consultants | Crown House, 119 St Mary's Road, Market Harborough, Leicestershire LE16 7DT | 600 | Not applicable | Not applicable | Not applicable |
| Return to Glory Ltd | 213 Haverstock Hill, London, NW3 4QP, United Kingdom | 120 | Not applicable | Not applicable | Not applicable |

Signature _____ Date 18-Dec-23

| | | | | | |
|---------------------------------------|--|----------|----------------|----------------|----------------|
| ROSELINE LOGISTICS LTD | 9 Ainslie Place, Edinburgh, CE, EH3 6AT | 559 | Not applicable | Not applicable | Not applicable |
| Sands Me Business Management Services | 2305,23rd Floor,Concord Tower, Media City, Al Sufouh Street, Dubai 119367 | 4,594 | Not applicable | Not applicable | Not applicable |
| SAP SE - EUR | SAP SE, Dietmar-Hopp-Allee 16, 69190 Walldorf | 4,991 | Not applicable | Not applicable | Not applicable |
| SAP Solutions | SAP Solutions, 1012-1014 Kingswood, Avenue, Citywest Business, Campus, Dublin 24, Ireland | 3,733 | Not applicable | Not applicable | Not applicable |
| ServiceMax | ServiceMax Inc., 4450 Rosewood Drive, Suite 200, Pleasanton CA 94588 | 1,266 | Not applicable | Not applicable | Not applicable |
| SGAP Technologies UK Ltd | Office Gold, Building 3, Chiswick Park, 566 Chiswick High Road, London, W4 5YA | 21,000 | Not applicable | Not applicable | Not applicable |
| Shakespeare Martineau LLP | No 1 Colmore Square, Birmingham, B4 6AA | 1,080 | Not applicable | Not applicable | Not applicable |
| Smoart Ltd | 198 Lutterworth Road, Nuneaton, Warwickshire, CV11 6PG | 14,490 | Not applicable | Not applicable | Not applicable |
| Softcat Plc | Solar House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1LW | 52,084 | Not applicable | Not applicable | Not applicable |
| Team Sport Go Karting | Teamsport Indoor Karting, C1 Endeavour Place, Coxbridge Business Park, Farnham, Surrey, GU10 5EH | 2,100 | Not applicable | Not applicable | Not applicable |
| UK & Ireland SAP User Group Ltd | UK & Ireland SAP User Group Ltd Lockheed Court, Preston Farm, Stockton-On-Tees, TS18 3SH | 13,701 | Not applicable | Not applicable | Not applicable |
| Vyna Travel | LIG#B-69,DR A.S RAO NAGAR,HYDERABAD 500062 | - 488 | Not applicable | Not applicable | Not applicable |

Signature _____

Date _____

18-Dec-23

| | | | | | |
|----------------------------------|---|------------|----------------|----------------|----------------|
| West Midlands Growth Company Ltd | The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT | 12,000 | Not applicable | Not applicable | Not applicable |
| Total | | 917,086.00 | | | |



Signature _____ Date 18-Dec-23

COMPANY SHAREHOLDERS

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal Value | Details of Shares held |
|---------------------|---|--------------------|---------------|------------------------|
| Daniel Barlow | 44 Westfield Road, Edgbaston, Birmingham, United Kingdom, B15 3QG | 102 | 102 | Ordinary |
| Prashant Patel | 53 The Moorings, Coventry, United Kingdom, CV1 4LR | 98 | 98 | Ordinary B |

Schedule of Secured Creditors

Secured Creditors

| Secured creditor's name and address | Amount of claim (estimated) | Details of security | Date security was given | Value of security (per Statement of Affairs) |
|--|------------------------------------|----------------------------|--------------------------------|---|
| UK Working Capital Limited 77 Charlotte Street, 3rd Floor, London W1T 4PW | 1,460,822.83 | Fixed charge | 15/12/2021 | 2,000,044.00 |

Appendix 6: Receipts and payments account

Joint Administrators Abstract of Receipts & Payments

| Statement Of Affairs | | From 03/11/2023 To 19/12/2023 |
|---|---|----------------------------------|
| FIXED CHARGE ASSETS | | |
| 539,221.17 | Book Debts - Trade | 0.00 |
| FIXED CHARGE CREDITORS | | |
| (2,000,044.00) | Secured Creditors | 0.00 |
| | | 0.00 |
| UNCHARGED ASSETS | | |
| 115,551.94 | Cash at bank | 111,485.80 |
| 100,000.00 | Goodwill | 25,001.41 |
| 15,000.00 | Computer equipment and fixtures and fittings | 3,750.21 |
| 1.00 | Intellectual Property | 0.25 |
| 1.00 | Business contracts and seller's records | 0.25 |
| 48,120.56 | Director's loan account | 0.00 |
| 45,001.00 | Investments in Subsidiaries | 11,250.88 |
| 19,890.90 | Staff loans | 0.00 |
| - | Third party funds – Purchaser name change fee | 10.00 |
| | | 151,498.81 |
| COSTS | | |
| | Statutory Advertising | 99.80 |
| | Other Professional Fees | 818.00 |
| | Name change fee | 20.00 |
| | Software Licence | 125.00 |
| | Insurance | 168.00 |
| | | (1,230.80) |
| SECONDARY PREFERENTIAL CREDITORS | | |
| | PAYE and NI | 0.00 |
| | | 0.00 |
| UNSECURED CREDITORS | | |
| | Trade and Expense Creditors | 0.00 |
| | | 0.00 |
| | | 150,268.01 |

REPRESENTED BY

Fixed Charge Account
Input VAT

150,120.45
147.56

150,268.01

Appendix 7: Estimated outcome statement

| | Notes | Book value £ | Estimated to realise £ |
|---|-------|-----------------|------------------------------|
| <u>Assets subject to a fixed charge</u> | 1 | | |
| Factored book debts | | 1,802,893.65 | 539,221.17 |
| Less: | | | |
| Indebtedness to fixed charge holder – Trade24plus Limited | | | (2,000,044.00) |
| Estimated surplus / (deficit) as regards fixed charge holder | | | (1,460,822.83) |
| <u>Assets subject to a floating charge</u> | | | |
| None | | | - |
| <u>Uncharged assets</u> | | | |
| Book debts - not factored | | - | Uncertain |
| Business contracts and seller's records | | - | 1.00 |
| Cash at bank - GPB | | 6,160.72 | 115,551.94 |
| Computer equipment and fixtures and fittings | | 101,289.10 | 15,000.00 |
| Directors Loan Account | | 48,120.56 | 40,000.00 |
| Goodwill | | - | 100,000.00 |
| Intellectual property | | - | 1.00 |
| Intercompany loan - Dubai | | 1,269,300.78 | Uncertain |
| Intercompany loan - Malaysia | | 323,492.98 | Uncertain |
| Intercompany loan - Qatar | | 65,451.17 | Uncertain |
| Intercompany loan - Singapore | | 2,117.61 | Uncertain |
| Intercompany loan - USA | | 552,615.64 | Uncertain |
| Investments in Subsidiaries | | 18,097.86 | 45,001.00 |
| Petty cash | | 14,052.47 | - |
| Prepayments | | 203,522.43 | Uncertain |
| Staff loans | | 19,890.90 | 19,890.90 |
| Unapproved WIP consideration | | 97,419.00 | *Uncertain |
| Unfinished WIP consideration | | 90,909.88 | **Uncertain |
| Total assets | | | 335,445.84 |
| <i>* estimated to realise 80% of the total</i> | | | |
| <i>**estimated to realise 50% of the total</i> | | | |
| <u>Estimated surplus to pay costs and other creditors</u> | | | |
| Pre appointment fees - UHY Hacker Young LLP | | | (5,936.50) |
| Pre appointment legal fees | | | (30,936.50) |
| Pre appointment agent fees*** | | | (25,950.45) |
| Pre appointment agent expenses | | | (295.00) |
| Office holders' fees | | | (65,257.65) |
| Office holders' expenses | | | (6,673.45) |
| Post appointment legal fees | | | (15,000.00) |
| Post appointment agent fees | | | |
| | | | (150,049.55) |

****plus 15% of total realised from unapproved WIP and undocumented*

| | |
|--|-------------------|
| Estimated surplus available to preferential creditors | 185,396.29 |
|--|-------------------|

Preferential creditors

| | |
|------------------------------|--------------------|
| Unpaid pension contributions | (15,470.00) |
| Arrears of pay | - |
| Unpaid holiday | - |
| | (15,470.00) |

Estimated surplus available to secondary preferential creditors

Secondary Preferential creditors

| | |
|-------------------|----------------|
| HMRC VAT and PAYE | (5,982,433.31) |
|-------------------|----------------|

| | |
|---|-----------------------|
| Estimated to be available to unsecured creditors | (5,812,507.02) |
|---|-----------------------|

Unsecured creditors

| | |
|---|-----------------------|
| Bounceback loan - Barclays Bank Plc | (30,000.00) |
| Employees' claims | - |
| Funding Circle loan | (156,000.00) |
| HMRC - CT tax | - |
| Intercompany loan - US | (843,380.47) |
| Loans | (130,300.00) |
| Trade creditors (47) | (917,086.00) |
| White Oak loan | (75,000.00) |
| Surplus owed to fixed charge creditor - Trade24plus Limited | (1,460,822.83) |
| | (3,612,589.30) |

| | |
|---|-----------------------|
| Estimated surplus / (deficit) as regards unsecured creditors | (9,425,096.32) |
|---|-----------------------|

Summary of estimated outcomes for creditors

| | |
|--|----------------|
| Estimated distribution to fixed charge creditor | 539,221.17 |
| Estimated distribution to preferential creditors | 15,470.00 |
| Estimated distribution to secondary preferential creditors | 169,926.29 |
| Estimated distribution to non-preferential unsecured creditors | (5,812,507.02) |

All figures are subject to change and they are shown exclusive of VAT

Notes

1. The book value of the assets have been taken from the management accounts dated 30 September 2023, with the exception of cash at bank.

Appendix 8: The Joint Administrators' fees estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix 9.

The fees estimate has been compiled on the following assumptions:

- no exceptional work will be required to realise the remaining assets and collect in the deferred consideration;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration.

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the fees estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

| General description | Includes | Estimate of no. of hours | Estimated blended hourly rate £ | Estimate of total £ |
|--|--|--------------------------|------------------------------------|------------------------|
| Administration (including statutory reporting) | | | | |
| Statutory/advertising | Filing and advertising to meet statutory requirements | 108 | 318.33 | 34,379.64 |
| Document maintenance/file review/checklist | Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists | | | |
| Bank account administration | Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing BACS payments | | | |
| Planning / review | Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case | | | |
| Books and records / storage | Dealing with records in storage Sending case files to storage | | | |
| Creditor reports | SIP16 disclosure following pre-pack sale of assets Preparing proposal, six monthly progress reports, fee authority report to secured and preferential and final report | | | |
| Creditors' decisions | Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Issuing notice of result of decision on Proposals | | | |
| Investigations | | | | |
| SIP 2 Review | Collection, and making an inventory, of company books and records | | | |

| General description | Includes | Estimate of no. of hours | Estimated blended hourly rate £ | Estimate of total £ |
|--|---|--------------------------|---------------------------------|---------------------|
| | Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with major creditors about further action to be taken | 45 | 318.33 | 14,324.90 |
| Statutory reporting on conduct of director(s) | Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations | | | |
| Examinations | Preparing brief to solicitor Liaising with solicitors regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitors regarding outcome of examinations and further actions available | | | |
| Litigation / Recoveries | Strategy meeting regarding litigation Seeking funding from creditors Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Dealing with ATE insurers Attending to negotiations Attending to settlement matters | | | |
| Realisation of Assets | | | | |
| Book debts | Liaising with secured creditor regarding recovery of factored book debts | 20 | 318.33 | 6,366.60 |
| Recovering deferred consideration from sale of business and assets: - Business records and seller's records - Computer equipment and fixtures and fittings - Goodwill - Intellectual property - Work in progress ("WIP") - Investments in subsidiaries | Analysing the value in WIP Contracting with service-providers/suppliers to complete WIP Liaising with agents to agree disposal strategy Liaising with solicitors to outstanding matters regarding the sale agreement Collecting sales consideration | | | |
| Cash at bank | Liaising with banks to recover cash at bank | | | |
| Directors loan account | Reviewing company records Discussions with director Letters requesting repayment | | | |
| Intercompany loans | Reviewing of company records Negotiation with directors | | | |

| General description | Includes | Estimate of no. of hours | Estimated blended hourly rate £ | Estimate of total £ |
|-------------------------------------|--|--------------------------|------------------------------------|------------------------|
| | Issue of statutory demands, if necessary | | | |
| Leasing | Renewing lease documents Liaising with agents and owners/lessors | | | |
| Insurance | Identification of potential issues requiring attention of insurance specialists. Correspondence with insurer regarding initial and ongoing insurance requirements. Reviewing insurance policies. Correspondence with previous brokers. | | | |
| Creditors (claims and distribution) | | | | |
| Creditor communication | Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator | 32 | 318.33 | 10,186.60 |
| Dealing with proofs of debt ('POD') | Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend | | | |
| Processing proofs of debt | Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims | | | |
| Distribution procedures | Agreeing allocation of realisations and costs between fixed and floating charges Paying distribution to secured creditors and seeking confirmation of discharged claims Paying a distribution to preferential/secondary preferential or unsecured creditors The process below will need to be applied for each class of creditor paid: Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of notice of intended dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Preparation of cheques/BACS to pay dividend Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/Nl deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim may involve bringing the Company's preferential tax affairs up to date | | | |
| Creditors' Committee | No estimate has been provided, as it has been assumed that no Committee will be established | | | |
| Total | | 205 | 318.33 | 65,257.65 |

Administration (including Statutory Reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Investigations

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

The receipts and payments account at Appendix 7 sets out the realisations achieved to date and the Estimated Outcome Statement at Appendix 6 sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are yet to be completed:

- Sale of business and assets: collecting the deferred sale consideration
- Leasehold property: monitoring the purchaser's licence to trade/occupy and assisting to arrange an assignment or surrender of the lease.
- Book debts – discussions with secured creditor regarding recovery plan
- Directors' loans / inter-company balances: establishing the sums due and pursuing settlement.
- Cash at bank: continuing to pursue the Company's banks to release payment.

Creditors (claims and distributions)

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries. In addition, as a dividend to preferential and secondary preferential is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement.

Appendix 9: Breakdown of the Joint Administrators' time costs

| Classification of work function | Partner Hours | Director Hours | Snr manager Hours | Asst manager Hours | Snr administrator Hours | Administration Hours | Junior administrator Hours | Total hours | Total cost £ | Avg hourly rate £ |
|------------------------------------|------------------|-------------------|----------------------|-----------------------|----------------------------|-------------------------|-------------------------------|---------------|-------------------|----------------------|
| Administration and planning | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Administrative set-up | 3.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 275.00 | 550.00 |
| Appointment notification | 1.50 | 0.00 | 1.66 | 12.20 | 0.00 | 12.90 | 5.30 | 33.60 | 8,014.00 | 238.51 |
| Case planning | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.50 | 2.10 | 5.60 | 945.00 | 168.75 |
| Maintenance of records | 0.00 | 0.00 | 0.21 | 4.40 | 0.00 | 20.70 | 0.00 | 25.30 | 5,637.00 | 222.81 |
| Statutory reporting | 1.50 | 0.00 | 1.46 | 0.00 | 0.00 | 2.00 | 0.00 | 4.40 | 1,506.00 | 347.73 |
| Realisation of assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.10 | 0.00 | 6.10 | 1,741.00 | 286.89 |
| Debt collection | 0.70 | 0.00 | 1.41 | 0.00 | 0.00 | 10.60 | 0.00 | 13.10 | 3,331.00 | 254.27 |
| Securing and insuring assets | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 220.00 | 275.00 |
| Property, business and asset sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of debt | 1.60 | 0.00 | 0.20 | 1.40 | 0.00 | 4.10 | 0.00 | 11.90 | 3,094.00 | 260.00 |
| Creditors | 0.00 | 0.00 | 2.70 | 0.00 | 0.00 | 7.50 | 0.00 | 10.20 | 3,096.00 | 273.04 |
| Creditors' claims | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Communication with creditors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CTDA report | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Antecedent transactions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SIP 2 review | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL HOURS | 6.00 | 0.00 | 8.40 | 18.60 | 0.00 | 74.10 | 13.80 | 221.30 | | |
| TOTAL TIME CHARGED (H) | 67,340.00 | 0.00 | 67,340.00 | 15,170.00 | 0.00 | 65,561.00 | 61,154.00 | | 218,516.00 | |
| Average hourly cost (H) | 550.00 | 0.00 | 400.00 | 253.00 | 0.00 | 210.08 | 83.62 | | | 238.71 |

All figures are stated net of VAT

Appendix 10: Charge-out rates and expenses policy

The Joint Administrators' expenses estimate

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

| Category 1 expenses | Basis | Estimate of total £ |
|--|-----------------|------------------------|
| Legal fees - Francis Wilks & Jones - providing advice in respect of validity of security, sale of the business, potential rights of action | Time-costs | 18,503.50 |
| Agents and Valuers – John Pye & Sons - providing a valuation and assisting with a sale of the company's business and assets | 15% of WIP | Uncertain |
| Advertising | Per advert | 299.40 |
| Pension specialists | Fixed | 4,418.00 |
| Bank charges | Per transaction | 112.50 |
| Bond premium | Value of assets | 450.00 |
| Document storage | Per box | 25.95 |
| Website document access – The Creditor Gateway | Per upload | 42.00 |
| HM Land Registry | Per search | 20.00 |
| Insurance | For time period | 168.00 |
| Insolvency software | Per case | 125.00 |
| Statement reader | Per page | 1,013.00 |
| Quickbooks | Per month | 489.60 |
| Change of name fee | Per filing | 10.00 |
| Total | | 22,173.45 |

| Category 2 expenses | Basis | Estimate of total £ |
|-----------------------|----------------|------------------------|
| UHY Hacker Young LLP* | See note below | 3,500.00 |
| Total | | 3,500.00 |

*Please note that a quote shall be obtained from UHY Hacker Young LLP's tax department for any post appointment tax returns that may be required, such as capital gains on goodwill. For the purposes of the approval of the category 2 expenses, this has been estimated to be £3,500.00 plus VAT and is based on the fees incurred in cases previously undertaken of a similar nature. In the event that third party accountants are more cost-effective, UHY Hacker Young LLP shall not be instructed.

London office turnaround and recovery charge out rates (per hour)

Rates effective from 1 May 2023 and historic rates

| Grade | Rate £/ per hour 2023 | Rate £/ per hour 2022 | Rate £/ per hour 2020 | Rate £/ per hour 2019 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Partners | £500 - £750 | £450 - £750 | £450 - £750 | £450 - £750 |
| Directors | £475 - £600 | £400 - £600 | £350 - £500 | £325 - £725 |
| Senior Managers | £400 - £500 | £350 - £500 | £300 - £400 | £300 - £400 |
| Managers | £300 - £400 | £280 - £350 | £280 - £350 | £280 - £350 |
| Assistant Managers | £275 - £325 | £220 - £300 | £220 - £300 | £200 - £300 |
| Senior Administrators | £220 - £275 | £200 - £350 | £150 - £250 | £150 - £250 |
| Administrators | £150 - £220 | £150 - £250 | £120 - £180 | £80 - £180 |
| Junior Administrator | £80 - £150 | £70 - £120 | £70 - £120 | £70 - £120 |

Category 2 disbursements

| | Effective from 01.04.2021 | Previously |
|---|---------------------------|----------------------------------|
| Internal storage of insolvency practitioners working papers | - | £5 per annum for ten years (£50) |
| Internal meeting room cost | - | £55 per meeting |
| Mileage (own car usage) | 45p per mile | 45p per mile |
| Photocopying / stationery / postage | - | - |

VAT will be charged on the above disbursements where applicable

Time charging policy

Support staff do not charge their time to each case. Support staff include cashier, secretarial and administration support. Please be advised that the minimum unit of time recorded is 6 minutes.

Appendix 11: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they collect the deferred sale consideration in relation to the sale of the Company's business and assets;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Peter Kubik and Brian Johnson will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10.