

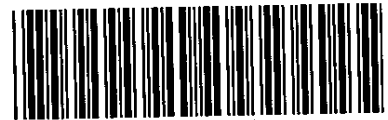
AM03

Notice of administrator's proposals



Companies House

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19/03/2020

#21

COMPANIES HOUSE

1 Company details

Company number 05135537

Company name in full Chapman Black Limited

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Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kris Anthony

Surname Wigfield

3 Administrator's address

Building name/number 3rd Floor, Westfield House

Street 60 Charter Row

Post town Sheffield

County/Region

Postcode S13FZ

Country

4 Administrator's name

Full forename(s) Steven

Surname Wiseglass

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number St John's Terrace

Street 11-15 New Road

Post town Radcliffe

County/Region Manchester

Postcode M261LS


Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	<div>Signature</div> <div><input checked="" type="checkbox"/> </div> <div><input checked="" type="checkbox"/></div>		
Signature date	<div><div><div>d</div><div>1</div></div><div><div>d</div><div>6</div></div></div> <div><div>m</div><div>0</div></div> <div><div>m</div><div>3</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div>		

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Kerry Norton
Company name	Begbies Traynor (SY) LLP
Address	3rd Floor, Westfield House
	60 Charter Row
Post town	Sheffield
County/Region	
Postcode	S 1 3 F Z
Country	
DX	
Telephone	0114 2755033



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Chapman Black Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Chapman Black Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 4 February 2020
"the administrators", "we", "our", "us"	Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Steven Wiseglass of Inquesta, St John's Terrance, 11-15 New Road, Radcliffe, Manchester, M26 1LS
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Chapman Black Limited	
Trading name(s):	Chapman Black Limited	
Date of Incorporation:	24 May 2004	
Company registered number:	05135537	
Company registered office:	3 rd Floor, Westfield House, 60 Charter Row, Sheffield S1 3FZ	
Former registered office:	Northern And Shell Building, 10 Lower Thames Street, London, EC3R 6EN	
Trading address(es): (or attach a separate sheet if more than one)	66 Wilton Road, London, SW1V 1DE	
Principal business activities:	Employment agency	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Ezra Chapman	None
	Richard George Blackburn	None
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	Richard George Blackburn	None
Auditors:	Nun Haywood	
Share capital:	280,072,800 ordinary shares of £0.01 each	
Shareholders:	Endorsed Group Limited – 280,072,800 ordinary shares	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	4 February 2020
Date of resignation:	N/A
Court:	High Court of Justice Business & Property Courts of England & Wales Insolvency and Companies (ChD)
Court Case Number:	CR-2020-000502
Person(s) making appointment /	The directors' of the Company situated at 66 Wilton Road, London,

application: SW1V 1DE.

Acts of the administrators: The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.

EU Regulation on Insolvency Proceedings: Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) 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), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was founded in 2007. The Company was an independent until it formed part of the Endorsed Group from January 2018. Executive and Engineering permanent recruitment company operating from London and working mainly in Germany, Europe and US markets. Over the last 10 years it developed a significant presence in the automotive industry globally. The Company invested along with the group in developing its own proprietary software.

The automotive slow down started to affect the results during late 2018 and early 2019, leading to operational changes to the business and its markets. A further restructure to the Company was made between May and

August, coinciding with the Managing Director of the Company becoming pregnant. The Managing Director went on maternity leave immediately after completing the restructure in August.

Under the restructure, the Managing Director and her leadership team separated the Company out into 2 trading brands:

Chapman Black focusing on the executive market; and
Scale Hiring, a new brand focused on the Engineering marketplace.

A new Managing Director was recruited to lead the Scale Hiring brand and Richard Blackburn led the ChapmanBlack Executive hiring business. This restructure resulted in a significant downturn in trading from September through to the end of the year, achieving less than 45% of its business plan sales targets for the period to the end of the year.

The restructure was reviewed continuously with many improvements made to the operating model. November showed a further decline in sales and, with a compromised forecast and outlook, decisions were made to reduce overheads in November and December.

The Company is part of a Group structure ("Group") where the ultimate parent company is Endorsed Group Ltd.

In Q2/Q3 of 2019 the Group initiated a refinance process to source additional funding through a number of channels. A bank was approached to increase the current Revolving Credit Facility from £2m to £5m. At the start of September 2019 the CFO reported to Group that such funding had been verbally approved and that the funder was prepared to proceed without requiring further external financial due diligence. The Group was then waiting for the funders legal team to formalise the details.

At this point the Group ceased consideration of alternative sources of finance. Nearly 8 weeks later the Group was informed that the funder would not in fact proceed with the increase in the facility. The Group was then left without the necessary funding or time to secure alternative funding to fulfil its plans.

Following consistent months of growth, the Group experienced a significant downturn in trading from September 2019 attributable to the impact of internal restructuring of a number of the businesses and underperformance against plan of other subsidiaries; market conditions also changed over this period. Significant cost reductions were embarked upon across November and December of 2019.

After the appointment of a new Financial Director at the start of December it became apparent in mid-December 2019 that the cash flow of the Group was not as liquid as had been forecasted to that point. Upon investigation it was discovered that the financial information that the Group had been relying upon was inaccurate and could not be relied upon.

Trading did not recover in the Group and a meeting was arranged with Steven Wiseglass (a licensed insolvency practitioner) of Inquesta, who advised that the Group appeared to be becoming insolvent as it was about to start to be unable to pay its debts when they fell due. The immediate concern was the realisation of the Group's inability to meet the January 2020 employee payroll.

The operations of the Company are intrinsically linked to those of Group, with a shared accounts function as well as shared leadership and ownership. A number of employees were pooled and/or shared between the Group and there were numerous inter-company charges. Therefore, it was decided that it was not possible for the Company to be rescued as a going concern and that Steven Wiseglass of Inquesta and Kris Wigfield of Begbies Traynor (SY) LLP should be engaged and the Company be placed into Administration.

The Company ceased to trade on 23 January 2020 with the directors of the Company lodging a Notice of Intention to Appoint Administrators ("NOI") on the same day.

The proposed administrators and their staff attended the Company's premises on 24 January 2020 to assess the position with regard to invoicing, debt collection and also to review the inter-company position and to collect statutory information.

Between the lodging of the NOI and the joint administrators' appointment on 4 February 2020, the inter-company position continued to be reviewed with discussions taking place with the Company's directors and finance director with regard to updating the inaccurate information where possible.

5. STATEMENT OF AFFAIRS

The directors have prepared a statement of affairs of the Company as at 4 February 2020 which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

Our comments on the statement of affairs are as follows:

Equalum Limited

We understand that this relates to an investment in an Israeli company. We understand that this company continues to trade however we await further information to establish the value of the same.

HSBC Bank Plc ("HSBC")

HSBC are owed the sum of £2,015,000.00 in relation to a loan granted to the Company.

Book Debts

The Company's invoices relate to stage payments for providing candidates to clients. On the basis that the Company ceased to trade prior to our appointment it is not known whether all liabilities will be receivable. Bad debts have been deducted in full with a general provision being applied to the balance of the ledger.

Directors Loan Account

The Company's records show a directors loan account to be due from Ezra Chapman. We await further information from Mr Chapman regarding set-off claims which he is looking to apply.

Connected Party Debts

We understand from the director that Sourcechain Turkey will cease to trade following the impending liquidation of Sourcechain Technology Limited. Realisations from this source are therefore uncertain.

Sourcechain Technology Limited is due to enter into liquidation with Steven Wiseglass of Inquesta and Kris Wigfield of Begbies Traynor (SY) LLP on 18 March 2020. It is currently uncertain whether a distribution will be available to creditors from this source.

Elliott Browne International Limited owns shares in Elliott Browne LLC ("LLC") and EB Business Intelligence GmbH ("GmbH"). We understand that LLC is currently taking advice regarding its financial position and that GmbH has entered into an insolvency process in Germany. The ability to repay the funds due to the Company is therefore uncertain.

As referred to above, LLC is taking independent advice and therefore realisations from this source are uncertain.

Endorsed Limited is a US company. We await confirmation of its ability to repay the debt due.

Vado Limited is a Group company which operated overseas. We understand that the failure of the Group will result in Vado Limited taking its own financial advice.

Ignite Limited is also a Group company. We await further information regarding the impact on the same.

The Hirestorm Limited debt relates to investment funds injected into the same. We understand that Hirestorm no longer trades and that the funds will not be collectable.

Endorsed Academy Limited operates outside of the Group but we understand that Mr Chapman is a connected party to the same. We are in the process of writing to this debtor regarding repayment. The same applies in terms of Third Republic.

Chapman Black Exclusive has ceased to trade and we are therefore advised that funds will not be realisable from this source.

The Company does not have any preferential creditors.

The attached statement of affairs refers to net property and the prescribed part. Please note that the calculation of both figures in the attached is incorrect. Correct values (based on the figures provided by the directors) are detailed in section 7 below.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 4 February 2020 to 16 March 2020.

As can be seen from the attached receipts and payments account, no transactions have occurred during the period covered by this report. Please however note that various debtor receipts in the sum of circa £220,000 have been paid into the Company's bank account. We await the opening of an estate account to allow such funds to be transferred to the estate account. Such receipts are therefore not showing in the attached receipts and payments account.

In addition, certain chattel assets have been sold for the sum of £6,250. Charterfields Limited, valuers, ("Charterfields") were instructed to value and sell the same. The sale was based on Charterfields recommendation to undertake the same.

Notwithstanding the above, further on within the proposals are details of the realisations we anticipate will be achieved within the administration proceedings.

Work undertaken by the Administrators and their staff

Subsequent to their appointment the joint administrators agreed a split of duties for the two firms being Inquesta and Begbies Traynor (SY) LLP. It was agreed that Inquesta would be responsible for dealing with employees claims, dealing with creditors and also for undertaking our statutory investigation requirements.

Begbies Traynor (SY) LLP are responsible for completing all statutory matters, asset realisations and banking duties.

Details of the works undertaken by each firm to date are as follows:-

Inquesta

Arrangements were made for the Company's server to be delivered to Inquesta to assist with their investigations.

The joint administrators have liaised with creditors in relation to their queries and claims in this regard.

Begbies Traynor (SY) LLP

Statutory information held on site was collected and has been stored within our premises.

The joint administrators' internal systems have been updated in relation to the statutory information received.

Steps have been taken to open a bank account for the estate. Due to the appointees being from separate firms, this is taking considerably longer than normal to facilitate.

Statutory notices of the joint administrators appointment were issued in accordance with the Insolvency Rules, including notices being issued to the Registrar, creditors and shareholders. In addition, the relevant notices were issued to HM Revenue and Customs ("HMRC") with an advertisement of our appointment being placed in the London Gazette.

Discussions have taken place with Charterfields in relation to the Company's assets. Information has been requested from the director in relation to the Israeli company in order than this can be reviewed.

The Company's chattel assets were valued by Charterfields. Charterfields advised that the Company had paid rent up to March 2020 and therefore arrangements were put in place to remove and dispose of the assets. Charterfields subsequently advised that they had received an offer for the assets of the Company as a whole in the sum of £6,250. On the basis that accepting this offer would mitigate removal costs Charterfields recommended acceptance of the same. This sale has now concluded with Charterfields holding the sale proceeds.

Charterfields have advised that they are aware of various assets being held in third party storage containers. Charterfields are in the process of making enquiries to ascertain the assets held within the same to establish whether it is economical to discharge the outstanding rent liabilities. An update in this matter will be provided in due course.

Correspondence was entered into with Eddisons Insurance Services Limited ("EIS"), a company which is part of the Begbies Traynor Group and which is therefore connected to Begbies Traynor (SY) LLP, to arrange for insurance cover for the Company's chattel assets.

As referred to earlier in this report, prior to our appointment we were advised that the Company's financial records were inaccurate. A significant amount of time was therefore spent reviewing the inter-company position and discussing the same with the directors and with the finance director to agree a more up to date position. Please however note that we have been advised by the directors that the revised information is still not believed to be accurate and therefore the book values contained within the statement of affairs cannot be wholly relied upon.

While the Company ceased trading prior to our appointment, the Company's staff were in fact employed by a connected Group company, Sourcechain Technology Limited ("Sourcechain"). To allow the Company to raise any invoices for December 2019 it was agreed that minimal essential staff be retained to assist in this regard. It was also agreed that such parties liaise with BTG Advisory, a party which is connected to Begbies Traynor (SY) LLP, who were instructed to oversee the collection of debtor funds.

The final member of Sourcechain's staff was made redundant by Sourcechain on 6 March 2020. BTG Advisory continue to pursue the remaining debtors having collated all necessary information in this regard.

In addition to the above, the joint administrators were advised that the Company had not raised invoices for January 2020, with the directors believing that some of the former sales staff would have information which could have potentially resulted in collectable invoices being raised.

Having discussed the same, the joint administrators agreed that any sales staff who had details of any potentially invoiceable funds would be entitled to 30% of any funds received as a result of their assistance. Due to the nature of the Company's business and due to the terms of the Company's agreement with its customers, most new work would not have been collectable. Minimal realisations are therefore anticipated to be received in this regard.

Following the vacation of the Company from its trading premises, a request for an informal surrender of the lease has been issued. We await completion of the same.

The joint administrators have corresponded with HSBC in relation to their reporting requirements and have issued an initial report to the secured creditor in this regard.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows:

Secured creditor

HSBC have a debenture dated 29 May 2012 registered against the Company which incorporates a fixed and floating charge over all assets of the Company. Upon the joint administrators appointment, HSBC advised the joint administrators that their indebtedness totalled £2,015,000.00.

HSBC have also advised that they hold a cross-guarantee in respect of the debt due from the Company between Endorsed.com Limited ("ECL") and Endorsed Group Limited ("EGL"). Please note that both ECL and EGL are subject to insolvency proceedings. Full details of which are stated below.

Preferential creditors

There are no known preferential creditors in this matter. As referred to above the staff utilised by the Company were employed by Sourcechain rather than the Company. As such, no preferential claims are anticipated to be received in this regard.

Unsecured creditors

Claims of unsecured creditors were estimated at £743,873.24. This amount includes the sum of £468,747.16 which relates to various connected party creditors.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditors

As detailed above, HSBC hold a cross guarantee in respect of the Company's debt over both ECL and EGL. It is proposed that ECL will enter creditors voluntary liquidation on 18 March 2020 with Begbies Traynor (SY) LLP and Inquesta being appointed. EGL entered administration on 4 February 2020 with Kris Anthony Wigfield of Begbies Traynor (SY) LLP and Steven Wiseglass of Inquesta being appointed joint administrators.

As a result of the above, a consolidated outcome has been compiled for HSBC to take into account anticipated realisations from each company which is subject to the cross guarantee and it is estimated that

HSBC will receive a distribution of approximately £428,038.00 across the companies. This will result in HSBC suffering a shortfall of £1,586,962.00.

Preferential creditors

As referred to above, the Company did not have any employees and therefore will not receive any preferential creditor claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

We have estimated, to the best of our knowledge and belief, the Company's net property, to be £370,000.00 and the prescribed part of the Company's net property to be £77,000.00.

On present information we do not intend to make an application to court for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

It is intended that we will distribute this amount to the unsecured creditors in the administration.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors, other than under the provisions of the prescribed part as detailed above.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

The joint administrators believe that it is not reasonably practicable to achieve objective 3(1)(a) or 3(1)(b) as firstly, the Company was unable to be rescued as a going concern due to the extent of its insolvent status and as a result, the Company ceased trading prior to our appointment. In addition, it is anticipated that there will be insufficient realisations achieved during the administration proceedings to enable a distribution to be made to the Company's unsecured creditors, other than under the provisions of the prescribed part, and on this basis, achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration), cannot be achieved.

Based on the above, we believe that pursuing the objective as specified in sub-paragraph 3(1)(c) will be achieved during the course of the administration proceedings as it is anticipated that the secured creditor, HSBC, will receive a distribution under the provisions of their floating charge security. Such distribution is heavily reliant upon the realisations achieved from the outstanding book debts and connected party debts due to the Company. As the Company does not have any preferential creditors, no distribution will be made in this regard.

In order that the purpose of the administration can be fully achieved, the joint administrators' propose to remain in office as administrators in order to realise the Company's book debts, both in relation to connected and unconnected parties. They also propose to conclude their investigations and monitor receipt of the Company's cash at bank. In addition, general matters including the below will be undertaken:-

- Dealing with creditor claims
- Reporting to the Company's secured creditor
- Continuing to undertake statutory matters in line with regulatory requirements.

Following the conclusion of all matters, the joint administrators anticipate being in a position to make a distribution to HSBC, thereby achieving the purpose of the administration.

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors (other than under the provisions of the Prescribed Part). Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the collection of the outstanding book debts and connected party debts which, are required in order to facilitate a distribution to the secured creditor, HSBC, and the prescribed part to be distributed to the unsecured creditors. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of advising the Company on the most expedient route to place the Company into administration, reviewing the Company's inter-company balances due and reviewing and discussing the outstanding book debt ledger ("the Work"). The Work was carried out pursuant to an agreement made between us and the director entered into on 23 January 2020 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because it was necessary to facilitate the appointment of joint administrators and also because we were aware of significant issues regarding the inter-company positions (which was important to understand in terms of the Group and the impact of the same on debtor realisations). For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	13,356.50	2,671.30	16,027.80
Our fees in relation to the Work	Inquesta	13,070.00	2,614.00	15,684.00
Our disbursements in relation to the Work	Begbies Traynor	919.92	183.98	1,103.90
Legal costs	Weightmans LLP	3,000.00	600.00	3,600.00
TOTAL PRE-ADMINISTRATION COSTS		30,346.42	6,069.28	36,415.70

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by seeking decisions of the secured creditor of the Company. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and Inquesta and the various grades of our staff and Inquesta's staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP at HSBC Bank Plc's panel rates, for attending to matters as set out in the fees estimate as detailed in Appendix 3.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part fund of any net floating charge property). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. Our firm is currently on the secured creditor's, HSBC Bank Plc, panel of approved suppliers of insolvency services. As a result, we consider that our firm has a business relationship with the secured creditor. However, we do not consider that the relationship will give rise to a conflict of interest in this case.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 4 February 2020.

As detailed above, both ours and Inquesta's charge out rates are based on HSBC Bank Plc's panel rates and not the standard rates of Begbies Traynor (SY) LLP or Inquesta's.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, as well as Inquesta's disbursements to be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by both us and Inquesta and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

Due to the timescales involved in circulating these proposals, the expenditure which has been incurred is nominal and relates to disbursements incurred, at present.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

The joint administrators will carry out initial assessments of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect, in due course.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 18 March 2020.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

As explained in Section 7 above, we anticipate that the Company has insufficient property to enable a distribution to be made to the Company's unsecured creditors (other than by virtue of the prescribed part).

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 18 March 2020. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Kris Anthony Wigfield
Joint Administrator

Date: 16 March 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

4 February 2020 to 16 March 2020

Chapman Black Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 16/03/2020

S of A £		£	£
	SECURED ASSETS		
Uncertain	Investment - Israeli Company	NIL	
NIL	Investment-Geektastic	NIL	
(2,015,000.00)	HSBC Bank Plc	NIL	NIL
	ASSET REALISATIONS		
200.00	Office Furniture	NIL	
6,050.00	Office Equipment	NIL	
Uncertain	January 2020 Invoices	NIL	
340,132.00	Book Debts	(0.00)	
114,293.00	Cash at Bank	NIL	
33,166.00	Directors Loan Account - Mr E Chapm	NIL	
Uncertain	Items held in Storage	NIL	
110,844.00	Endorsed Academy	NIL	
5,292.50	Third Republic LLC	NIL	
Uncertain	Various Connected Party Loans	NIL	(0.00)
	FLOATING CHARGE CREDITORS		
Uncertain	Grey Communications Group Ltd	NIL	NIL
	UNSECURED CREDITORS		
(167,814.56)	Trade Creditors	NIL	
(109,428.40)	HMRC	NIL	
(2,566.79)	Hirestorm	NIL	
(24,619.80)	Endorsed.com Ltd	NIL	
(427,555.30)	EB Business Intelligence GmbH	NIL	
(4,356.53)	Elliott Bowne Int. LLC	NIL	
(7,531.86)	Elliott Browne Int. Ltd	NIL	NIL
	DISTRIBUTIONS		
(280,728.00)	Ordinary Shareholders	NIL	NIL
(2,429,623.74)			(0.00)
	REPRESENTED BY		
			NIL

Kris Anthony Wigfield
Joint Administrator

**DIRECTORS' STATEMENT OF AFFAIRS AS AT 4
FEBRUARY 2020**

A – Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Equalum Limited Investment	£77,000	uncertain
subject to HSBC	(2015000)	(2015000)
	(2015000)	
Assets subject to floating charge:		
Cash at Bank	114000	114000
Furniture and Equipment	-	6000
Book Debt	660090	250000
Director loan Ezra Chapman	67086	uncertain
SourceChain Turkey	19262.33	uncertain
SourceChain Technology Limit	3229241	uncertain
Elliott Browne International Limited	505928	uncertain
Elliott Browne LLC	108652	uncertain
Endorsed Limited	227124	uncertain
Vado Limited	138427	uncertain
Ignite Limited	1475	uncertain
Hirestorm Limited	168801	Nil
Endorsed Academy	443376	uncertain
Third Republic	21170	Uncertain
ChapmanBlack Exclusive	168,000	Nil
	5949632.33	
	7964632.33	
Uncharged assets:	Nil	Nil
Estimated total assets available for preferential creditors		320,000

Signature



Date

13/3/20

1. The first part of the report is a summary of the work done during the year.

2. The second part is a detailed account of the work done during the year.

3. The third part is a summary of the work done during the year.

4. The fourth part is a detailed account of the work done during the year.

5. The fifth part is a summary of the work done during the year.

6. The sixth part is a detailed account of the work done during the year.

7. The seventh part is a summary of the work done during the year.

8. The eighth part is a detailed account of the work done during the year.

9. The ninth part is a summary of the work done during the year.

10. The tenth part is a detailed account of the work done during the year.

11. The eleventh part is a summary of the work done during the year.

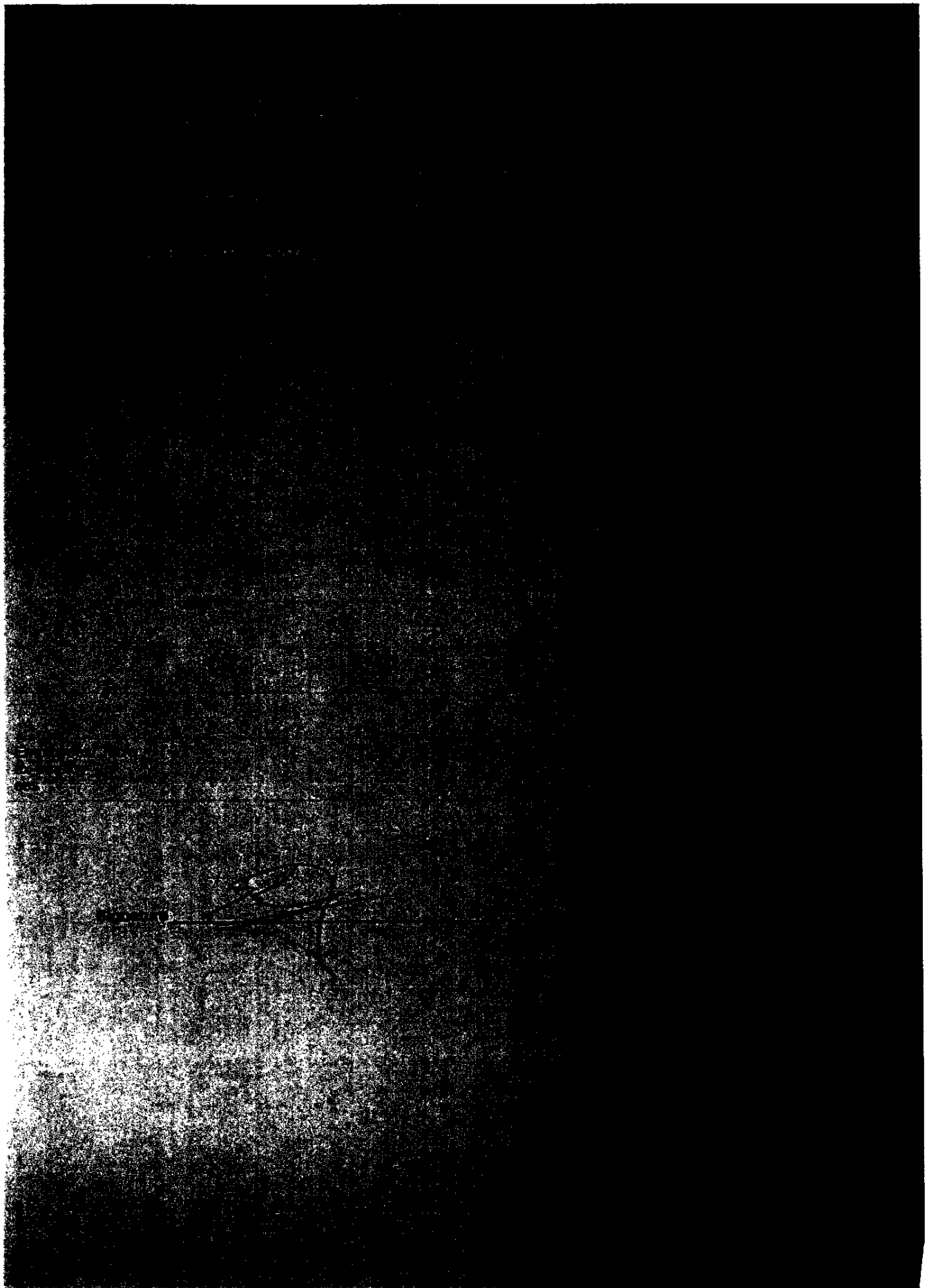
12. The twelfth part is a detailed account of the work done during the year.

13. The thirteenth part is a summary of the work done during the year.

14. The fourteenth part is a detailed account of the work done during the year.

15. The fifteenth part is a summary of the work done during the year.

Signature



Chapman Black Limited

Name	Address	£
3C Global-SE Ltd	6 Bevis Marks, London., EC3A 7BA	1,652.28
Aktron Facilities	Mackellan House, Unit 4 The Beacons, Hatfield, AL10 8RS	2,118.00
Angel Springs LTD (T/A Waterlogic)	Shaw Road, Wolverhampton, West Midlands, WV10 9LE	390.00
Bobtail Fruits Ltd	197 Hercules Road, London, SE1 7LD	953.25
Caterwings	6th Floor, 2 Lewman Street, Aldgate Towers, London, E1 8FA	1,134.72
CliftonLarsonAllen LLP	One Grand Central Place, 80 East 42nd Street, Suite 2800, New York, NY 10165	228.57
CloudCell	1 Colton Square, Leicester, LE1 1QH	15,574.17
CB Engineering	66 Wilton Road, London, SW1V 1DE	31,083.55
EB Business Intelligence GmbH	Oststrabe 10, 40211, Dusseldorf, Germany	427,555.30
Edgars Cool Water Ltd	Conway House, Pattenden Lane, Marden, Kent, TN12 9QL	62.64
Elliott Browne International LLC	4th Floor, 30 Broad Street, New York, NY 10004	4,356.53
Elliott Browne International Ltd		7,531.86
Ezra Chapman (Intercompany payment)	C/o Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	755.00
Endorsed Com	Suite 106, 106200 Brook Drive, Reading, RG2 8UB	24,619.80
FP Mailing (West End) Ltd	14-18 Haddon Street, London, W1B 4DA	457.89
Haikun Management Company Ltd	4th Floor, 10 Lower Thames street, London, EC3R 6AF	1,716.00
Hirestorm recharges	Intercompany	2,568.79
HM Revenue & Customs	HM Revenue & Customs, HMRC National Insolvency Unit, 5th Floor, Reglan House, Liverpool, L74 1AD	108,428.40
HSBC Bank Plc	West End Corporate Banking Centre, 4th Floor, 133 Regent Street, London, W1B 4HX	2,015,000.00
IIR Limited	5 Howick Place, London, SW1P 1WG	3,150.00
Inspiritt	143 High Street., Chalfont St Peter, Bucks, SL9 8QL	325.20
Messago Messe Frankfurt Group	Rotenhilstrasse 83-85, 70178 Stuttgart	2,215.91
Money Talent Management	42a Berwick Street, London, W1F 8RZ	300.00
Monster Worldwide Ltd	7th Floor, 120 Holborn, London, EC1N 2TD	1,200.00
Moorcrafts LLP	Thames House, Mere Park, Dedmere Road, Marlow, Bucks, SL7 1PB	432.00
Northern & Shell Plc	The Northern & Shell Building, 10 Lower Thames Street, EC3R 6EN	74,409.56
Nuffield Health Wellbeing	Epsom gateway, Ashley Avenue, Epsom, Surrey, KT18 5AL	1,672.00
Photocopiersdirect	unit 2 space business centre, abbey Road, London, NW10 7SU	580.86
Rackspace International GmbH	Pfingstweidstrasse 60, 8005 Zurich, Switzerland	3,234.89
read online ltd	Dragon Court, 27-29 Macklin Street, London, WC2B 5LX	568.80
Regus Management GmbH	Prinzenallee 7., 40549, Dusseldorf, Germany	364.73
Specs Station PLC	Station Road., Brentford, TW8 8EF	2,941.44
The Good Eating Company	The Good Eating Company, Business Services, PO Box 791	220.92

13/3/2020

Torix Managed Services

VIKING FACILITIES MANAGEMENT LIMITED
Vado Med Tech Limited
XBIM limited

Maxted corner, Aztec house, Maxted rd, Hemel Hempsted, Hertfordshire, England,
HP27RA
13/14 West Station Yard, Spital Road, Maldon, Essex, CM9 6TW
Suite 108, 106200 Brook Drive, Reading, RG2 6UB
Access House, Nephshaw Lane South, Gildersome, Leeds, West Yorkshire, LS27 7JQ

19,027.89

2,136.00

1,361.88

546.61

2,758,873.24

 13/3/20

11 March 2020 09:49

Page 2 of 2

Exposed Group 1
150

Signature _____

A handwritten signature in dark ink, appearing to be a stylized 'S' or 'J' followed by a surname, written over a horizontal line.

DIRECTORS' STATEMENT OF AFFAIRS

Notes to the Directors' Statement of Affairs.

1. Details of the assets included in the statement of affairs are provided in section 5 of the attached report.
2. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
3. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
4. The claim of HM Revenue & Customs represents corporation tax outstanding for 2019.
 5. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
 6. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.
 7. Transactions with directors and associates.

Standard practice requires disclosure to the creditors of any transactions (other than in the ordinary course of business) between the Company (including any of its subsidiaries or any other company in which it has or had an interest) and any of its directors or their associates (as defined in Section 435 of the Act) in the period of **two years** prior to the commencement of administration, and in the period since the commencement of the administration, or proposed to be undertaken. Relevant details are as follows:

We are not aware of any transactions which were not in the ordinary course of business.

REMUNERATION AND EXPENSES

Total time spent on this assignment amounts to 46.4 hours at an average composite rate of £177.36 per hour resulting in total time costs to 16 March 2020 of £8,229.50.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (SY) LLP's charging policy
- ☐ Pre-administration Time Costs Summary
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ The Administrators' fees estimate
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of BTG Advisory to provide assistance with the collection of the Company's outstanding book debts. Their charges will be equivalent to 5% of realisations.

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £500.00 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Sheffield office as at the date of this report, on this particular matter, are set at HSBC Bank plc panel rates which are as follows:

Grade of staff	Charge-out rate (£ per hour)
Partner	260
Director	260
Senior Manager	190
Manager	190
Assistant Manager	190
Senior Administrator	130
Administrator	85
Junior Administrator	85
Support	85

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: Chapman Black Limited

CASE TYPE: Administration

OFFICE HOLDERS: Kris Anthony Wigfield and Steven Wiseglass

DATE OF APPOINTMENT: 4 February 2020

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to appointment, the proposed joint administrators spent time advising the directors of the alternative options available and/or processes available to the Company in connection with its financial position and provided advice and the steps required in order to appoint administrators over the Company.

A full breakdown of the pre appointment work undertaken is provided in the main body of the Proposals however, a condensed summary is provided below:

- A Review of the Company's financial position including the Group structure, at a meeting held at the Company's premises in London, with one of directors and the Company's financial accountant;
- Liaising with the Company's directors with regard to statutory information required to enable the proposed joint administrators to comply with their statutory duties once appointed;
- Liaising with agents, Charterfields Limited ("Charterfields") advising of the impending appointment of the joint administrators and providing information with regard to the Company's assets;
- Reviewing the Company's inter-company debtor position in conjunction with the directors and the Company's financial accountant;
- Liaising with the secured creditor, HSBC Bank Plc ("HSBC"), with regard to the impending appointment of administrators and, obtaining details of their indebtedness;

- Liaising with solicitors and the Company's director in relation to the appointment of the administrators to ensure the appointment was effected in the requisite timescales.

1.4 Complexity of work undertaken prior to appointment

Whilst the nature of the appointment is not extraordinarily complex, time has been spent carrying out all pre appointment matters as detailed above, to ensure that the administration appointment was effected correctly and seamlessly. This included a thorough review of the Group structure to ensure that all inter-company balances were reconciled.

1.5 Exceptional responsibilities

There were no exceptional responsibilities during the pre-appointment period of the administration process.

1.6 The proposed Administrators' effectiveness

As a result of the work carried out pre-appointment, this has enabled the proposed joint administrators to carry out a group reconciliation to ensure that the inter-company balance position is correct which will be effective in securing realisations into the administration in respect of the balances due to the Company, from across the Group structure and, in relation to the book debts due.

1.7 The views of the creditors

The proposed joint administrators made contact with the secured creditor, HSBC, to advise that they were reviewing the Company's financial position with a view to placing the Company into administration. As a result, the proposed joint administrators obtained details of HSBC's indebtedness and obtained their consent to their appointment.

With regard to obtaining the consent to draw pre appointment costs following the joint administrators appointment, such requests will be issued to HSBC for approval. Such approval is included within the Proposals attached.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

As detailed above at point 1.7, the joint administrators are seeking agreement to a resolution in relation to pre administration costs to include both Begbies Traynor (SY) LLP's fees, Inquesta's fees and legal fees and disbursements from HSBC, as follows:

- That the unpaid pre administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

Category 2 Disbursements

Pursuant to the resolution being sought in relation to the unpaid pre-administration costs, the following Category 2 disbursements are proposed to be charged in relation to the period prior to appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	7.65
Travel & subsistence	912.27
TOTAL	919.92

1.10 Other professionals employed & their costs

Weightmans LLP ("Weightmans") were instructed to prepare the relevant documentation to appoint the joint administrators and arrange for such documentation to be filed at Court. Weightmans were instructed based on their qualifications and ability to provide the necessary assistance in order that the appointment could be obtained in a timely manner.

Weightmans fee basis is based on a time costs basis plus disbursements and VAT. No payments have been made to Weightmans in respect of this work carried out to date however, details of their pre appointment costs are provided in the attached proposals in order that the necessary authority can be obtained.

1.11 Staffing and management

The staff were chosen based on their experience, qualifications and knowledge of dealing with similar administrations. The case is overseen by two licenced insolvency practitioners one within the Sheffield office of Begbies Traynor (SY) LLP and one within Inquesta in Manchester, both of whom have dealt with the pre appointment matters leading up to the appointment.

In addition, the day to day running of the case will be dealt with by a director, corporate manager, a senior case administrator and a junior case administrator within both insolvency practitioners offices who, will report to both the office holders on a frequent basis, to ensure all statutory matters are complied with and completed in the relevant timescales.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2.1 Begbies Traynor (SY) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3. Details of Inquesta's policy for charging fees and expenses can be located on their website at www.inquesta.co.uk/resources/creditors-guides/
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3. Please note that these rates are charged at HSBC panel rates.

Staff Grade		Consultant/ Partner	Director	Snr Mngr	Mngr	Analyst - Forensic	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration	Administration	6.0	4.1						1.9		12.00	2,787.50	232.29
	Case planning	0.4	21.3				2.0				23.70	5,302.00	249.03
Assets	Negotiation of sale of business +/- assets	3.1									3.10	806.00	260.00
Creditors	Other creditors		2.8								2.80	728.00	260.00
	Secured - correspondence and meetings	0.3	0.6								0.90	234.00	260.00
Other Matters	Meetings and correspondence with directors	3.0									3.00	780.00	260.00
	Travel	3.0	3.4				3.5				9.90	2,119.00	214.04
Total hours by staff grade		15.8	32.2				5.5		1.9		55.4		
Total time cost by staff grade £		4,108.00	8,372.00				715.00		161.50			13,356.50	
Average hourly rate £		260.00	260.00				130.00		85.00				241.09
Total fees drawn to date £												0.00	

A1343 - Chapman Black Limited
Pre Appointment to 03/02/2020

Project Code	PRE	Staff Grade	Data	Sum of Time Hours	Sum of Cost	MNG	Sum of Time Hours	Sum of Cost	Total Sum of Time Hours	Total Sum of Cost
Sub Analysis Code		DIR								
Admin & Planning				33.7	8,762.00		17.8	3,382.00	51.5	12,144.00
Creditors							4.6	874.00	4.6	874.00
Realisation of Assets				0.2	52.00				0.2	52.00
Grand Total				33.9	8,814.00		22.4	4,256.00	56.3	13,070.00

CHAPMAN BLACK LIMITED

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

The joint administrators have arranged for the Company's statutory information that is within their possession to be reviewed and updated onto their systems to enable the relevant statutory documentation to be issued. In addition, the statutory checklists have been completed to ensure that the necessary paperwork following the joint administrators' appointment has been issued where relevant.

A case specific diary template has been added to the joint administrators' system, which assists the joint administrators in keeping all statutory matters up to date.

Time has been spent updating internal systems to ensure that all information required to allow the joint administrators to effectively manage the administration of the case, has been obtained and held.

The joint administrators formulated an appropriate strategy and monitored and reviewed that strategy to ensure that the case is administered and progressed efficiently.

Whilst this does not benefit creditors financially, it is necessary to ensure 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.

Compliance with the Insolvency Act, Rules and best practice

Upon their appointment, the joint administrators have prepared statutory notices of their appointment to be issued to the Company's creditors, members, HM Revenue & Customs ("HMRC") and to the Registrar of Companies. In addition, they requested an advert confirming their appointment be placed in the London Gazette. The joint administrators have also arranged for their proposals to be compiled and circulated.

A statutory bond has been requested to cover the realisations received into the case for the benefit of the Company's creditors.

The joint administrators have requested that the Company's registered office be changed to that of the practice.

In addition, the joint administrators have requested a case bank account to be opened in order that incoming and outgoing transactions can be posted onto the system and carried out accordingly.

Whilst the above will not result in a better return to the Company's creditors, the works are required by statute and therefore the costs of completing the same cannot be avoided.

Investigations

Due to the limited time which has passed since the joint administrators appointment, no investigation works have been undertaken to date. However, the joint administrators have requested the required information to enable their investigations to begin imminently. This will be required to allow the joint administrators' to undertake their investigations in due course and meet the requisite statutory obligations.

The above may ultimately result in increased realisations for the benefit of the estate, however it is not currently possible to quantify the same.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

The joint administrators have spent time arranging for the Company's assets to be placed on insurance cover with Eddisons Insurance Services Limited ("EIS").

Time has also been spent reviewing the Company's inter-company balances with connected parties and also reviewing the outstanding debtor ledger in conjunction with BTG Advisory, a party connected to the Begbies Traynor Group and therefore connected to Begbies Traynor (SY) LLP.

Communications have been held with Charterfields Limited ("Charterfields") with regard to the Company's trading premises with regard to occupation etc.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

Trading

As the joint administrators did not trade the Company, no time has been spent on this particular matter.

Dealing with all creditors' claims (including employees), correspondence and distributions

The joint administrators have spent time corresponding with the Company's creditors by way of verbal and written communications in relation to their claims and queries which have arisen to date.

In addition, the joint administrators have arranged for their systems to be updated following receipt of creditor claims.

Communication has been entered into with the Company's secured creditor, HSBC Bank plc, providing updates with regard to the progress of the administration and also preparing the initial bank report with a consolidated estimated outcome to include all associated companies which Begbies Traynor (SY) LLP and Inquesta are dealing with.

Time has also been spent liaising with the employees which the joint administrators retained to assist with the collection of the Company's book debts and providing statutory information. This has involved arranging for wages to be paid.

The above work has not provided any financial benefit to the Company's creditors however, it has ensured the claims received to date have been admitted in the event there are sufficient funds in the future, to enable a distribution to be made in this regard.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

The joint administrators have not incurred any time on this particular matter, to date.

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Why have subcontractors been used?

As detailed in the attached proposals, Charterfields Limited ("Charterfields"), Weightmans LLP ("Weightmans") and DLA Piper UK LLP ("DLA") were instructed to assist the joint administrators in this matter. Detailed below are explanations as to why each party has been instructed to assist within the administration process.

Charterfields were instructed to value the Company's assets upon the appointment of the joint administrators and to provide a disposal strategy in relation to the same. Charterfields were chosen due to their experience and qualifications. Charterfields are able to provide qualified valuers to enable the Company's assets to be professionally valued which, the joint administrators are unable to do. To date, Charterfields have not received any payment for any work carried out in this matter. Upon receipt of Charterfields invoice, this will relate to post-appointment time spent.

Weightmans were instructed to prepare the relevant documentation to appoint the joint administrators, to be presented at Court, in order that the appointment could be effected. Weightmans were chosen based on their qualifications and ability to progress the matter in a timely manner. No payments have been made to Weightmans in respect of this work carried out to date however, such payment will relate to their pre-appointment work carried out.

In addition, DLA were instructed to assist the joint administrators with any matters that may arise within the administration proceedings, following their appointment. DLA were chosen as a result of them having offices situated around the world which may be required to deal with post-appointment matters as a result of the various inter-company balances associated with the Company being overseas. No payments have been made to DLA in this regard as they have not been instructed to review any matters to date. Should this be necessary during the administration proceedings, any such payments will relate to post-appointment work carried out.

Also, BTG Advisory, a connected party to the Begbies Traynor Group and therefore, connected to Begbies Traynor (SY) LLP, have been instructed to pursue the outstanding debtor ledger due to the Company. BTG Advisory have been instructed due to their expertise and knowledge of dealing with similar matters and their success rate in obtaining realisations from book debts.

BTG Advisory's fee is on a percentage basis at a rate of 5% of realisations. No payments have been made to BTG Advisory to date as the relevant authority has not been obtained. Any such payments following the relevant authority being obtained, will relate to post appointment work carried out.

EIS have also been instructed to place the Company's assets on insurance cover until such time as they have been disposed of. EIS are a connected party to the Begbies Traynor Group and therefore, connected to Begbies Traynor (SY) LLP.

EIS have been chosen due to their experience and timely manner in which cover can be obtained. No payments have been made to EIS to date as the relevant authority has not been obtained. Any such payments following the relevant authority being obtained, will relate to post appointment work carried out.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The joint administrators will continue to complete works required to maintain the administration including periodically reviewing the case to ascertain which works remain outstanding by updating the electronic diary systems and statutory checklists which will ensure all statutory requirements have been completed during the course of the administration and, in readiness for closure as and when required.

In addition, all statutory documentation which is required to be issued to the relevant parties during the course of the administration will be compiled and issued on the statutory due dates.

Time will be spent reviewing and compiling an inventory of the records collected from the Company.

Periodic case reviews will be carried out one, three and six monthly intervals to ensure that all statutory documentation has been completed and issued in the relevant timescales and that any outstanding matters within the administration have been concluded as necessary.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

Compliance with the Insolvency Act, Rules and best practice

The joint administrators will prepare and submit to all relevant parties the statutory administrators deemed approval, six monthly progress report and final report pursuant to The Insolvency Act 1986 and deal with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors.

In addition, banking duties will be carried out by way of the posting of income and expenditure, and reconciling the bank account together with the processing of bank statements etc.

Also, periodic bond reviews will be carried out to ensure that the case remains adequately bonded throughout the administration process.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the director in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports

Realisation of assets

Time will be spent by the joint administrators liaising with their agents, Charterfields, with regard to the realisation of the Company's assets. This will include reviewing and discussing any proposed disposal strategy received from Charterfields and potentially liaising with any interested parties.

All work carried out in respect of the asset realisation is for the purpose of realising assets for the benefit of the creditors generally.

Trading

No time will be spent on this particular matter as a result of the Company not being traded by the joint administrators within administration.

Dealing with all creditors' claims (including employees), correspondence and distributions

During the administration process, should it become clear that sufficient realisations are achieved to enable the distribution of the prescribed part to be made, creditors will be made aware of this at the earliest possibility, whether it be detailed in a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

Time will also be spent compiling interim reports to the Company's secured creditor, HSBC Bank plc, which will provide them with updates which will detail any anticipated distributions they may receive from the administration proceedings.

The joint administrators will carry out work to ensure that all liabilities in respect of the retained employees have been dealt with and discharged accordingly to include and PAYE/NIC and pension deductions.

It is not anticipated that this work will provide any financial benefit to the Company's creditors as it is required in order to ensure creditor claims are admitted on the system should a dividend be available to the creditors in this matter.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioners will be required to seek decisions from creditors on various proposed resolutions, including the basis of their remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

In the event any matters arise within the administration that require legal assistance, discussions will be held with DLA to assist with such matters.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

How much will this further work cost?

As you will see from the attached fee estimate, we anticipate that our total post-appointment time costs in this matter will be in the region of £100,053.50. To date time costs of £10,324.50 have been incurred. Future fees of £89,729.00 are therefore estimated to be incurred.

Please note that our fee estimate is an estimate based upon time spent on similar historic cases and the matters which the joint administrators believe will be most time consuming during the administration process. As such, the estimate is subject to change and may vary depending upon the specific issues of the case as they arise.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at Appendix 3.

SIP9 Chapman Black Limited - Administration - 91CH591.ADM : Time Costs Analysis From 04/02/2020 To 16/03/2020

Staff Grade	Consultant Partner	Director	Staff Mngr	Mngr	Analyst - Forensic	Staff Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning		2.5				1.2				4.6	1,040.00	226.09
	Case planning											
	Administration	5.7				1.0			14.0	22.7	3,322.00	146.34
	Total for General Case Administration and Planning:	8.2				2.2			14.0	27.3	4,362.00	159.78
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding	0.2				0.4				0.6	104.00	173.33
	Case Closure											0.00
	Statutory reporting and statement of affairs	0.6				5.7			0.5	6.8	939.50	138.16
Investigations	Total for Compliance with the Insolvency Act, Rules and best practice:	0.8				6.1			0.5	7.4	1,043.80	141.01
	GDPA and investigations	0.1							0.3	0.4	51.50	128.75
	Total for Investigations:	0.1							0.3	0.4	81.00	128.75
Realisation of assets	Debt collection	1.7								1.7	442.00	260.00
	Property, business and asset sales	1.0				0.1				1.1	273.00	248.18
	Retention of "fictitious" party assets					0.2				0.2	26.00	130.00
	Total for Realisation of assets:	2.7				0.3				3.0	741.00	247.00
Trading	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured	6.1								6.1	1,586.00	260.00
	Others	1.4				0.3	0.1	0.2	0.2	2.2	445.50	202.50
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	7.5				0.3	0.1	0.2	0.2	8.3	2,031.50	244.78
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax											0.00
	Litigation											0.00
	Total for Other matters:											0.00
	Total hours by staff grade:	19.3				8.9	0.1	0.2	15.0	46.4		
	Total time cost by staff grade:	5,016.00				1,157.00	8.50	17.00	1,275.00		8,228.50	
	Average hourly rate £:	260.00				130.00	85.00	85.00	85.00			177.36
	Total fees drawn to date £:										0.00	

Time Entry - SIP9 Time & Cost Summary

A1343 - Chapman Black Limited
All Post Appointment Project Codes
From: 04/02/2020 To: 16/03/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.60	2.40	0.00	0.00	5.00	1,132.00	226.40
Case Specific Matters	0.70	4.90	0.00	0.00	5.60	1,113.00	198.75
Creditors	0.40	1.70	0.00	0.80	2.90	495.00	170.69
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.20	0.00	0.00	0.20	38.00	190.00
Trading	0.00	0.10	0.00	0.00	0.10	19.00	190.00
Total Hours	3.70	9.30	0.00	0.80	13.80	2,797.00	202.68
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

CHAPMAN BLACK LIMITED**THE ADMINISTRATORS' FEES ESTIMATE**

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	77.80	21,050.00	270.57
Compliance with the Insolvency Act, Rules and best practice	61.40	17,051.00	277.70
Investigations	57.20	18,531.00	323.97
Realisation of assets	60.40	20,847.50	345.16
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	49.20	13,248.50	269.28
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	34.60	9,983.50	288.54
Total hours	340.60		
Total time costs		100,053.50	
Overall average hourly rate £			293.76

Although the fees estimate indicates that the total time costs for this matter will be £100,053.50, we are aware that the assets in question have a value in excess of our total time costs however, due to the nature of the assets, a number of these realisations could prove to be problematic and uncertain. Therefore, the time we will be able to draw will be dependent upon the level of realisations achieved in respect of these assets. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 16 March 2020

CHAPMAN BLACK LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings (if required), dividends etc.	162.00 + VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	420.00 + VAT
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	500.00 + IPT
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500.00 + VAT
5.	Agent's valuation fees, commissions and disbursements	Fees on a percentage of realisations basis at a rate of 10% plus any commissions, valuation fee and disbursements incurred	3,790.00 + 10% of realisations + VAT
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	10,000.00 + VAT
7.	Debt collection fees and disbursements	The fees of any third party instructed by the Insolvency Practitioner to assist with the collection of the debts of the insolvent entity and their anticipated disbursements	17,007.00 + VAT
8.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	100.00
9.	Postage charges	Postage charges incurred in circulating documentation to the Company's creditors	154.00 + VAT
10.	Accountants fees	Fees in connection with any reconciliation required with regard to the Group inter-company balances and payroll services	1,500.00 + VAT
11.	Payroll	Payroll costs with regard to the Company's employees	1,000.00 + VAT
12.	IT Costs	Costs incurred in relation to email set up and for uplift and access to server removed from site, together with ongoing support	7,868.00 + VAT

13.	Rent	Rental costs incurred for storage unit, off site	Uncertain
14.	Wages	Wages incurred post-appointment for staff retained during the administration process	9,166.00
15.	PAYE	Liability incurred as a result of the above wages incurred.	1,804.00
16.	Pension payments	Liability incurred as a result of retaining employees during the administration process	361.00
17.	Commissions	Commissions due to sales staff in respect of January 2020 sales	30% of the value of invoices raised and collected

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.

Notes

5. Whilst there is a figure within agents fees, this does not include their 10% of realisations. This is as a result of the uncertainty surrounding the estimated to realise figure in respect to of a number of the Company's assets.
8. Debt collection fees relate to BTG Advisory's work in pursuing the outstanding book debts. BTG Advisory is a connected party to the Begbies Traynor Group and there is connected to Begbies Traynor (SY) LLP. BTG Advisory's fees are based on 5% of realisations achieved therefore, their fees have been calculated on the estimated to realise figure of collectable debts.
13. Rent is based as uncertain at present due to the uncertainty surrounding asset realisations therefore, will only discharge if economical.
17. 30% commission due to the sales staff based on the value of invoices raised and collected during the administration period.