

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number	0	6	1	3	3	9	2	7
Company name in full	Avanti Communications Group Plc							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Court details

Court name	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)													
Court number	C	R	-	2	0	2	2	-	0	0	1	1	0	7

3 Administrator's name


Full forename(s)	Matthew Boyd
Surname	Callaghan

4 Administrator's address

Building name/number	C/O FTI Consulting LLP
Street	200 Aldersgate Aldersgate Street
Post town	London
County/Region	Greater London
Postcode	E C 1 A 4 H D
Country	United Kingdom

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Lisa Jane		① Other administrator Use this section to tell us about another administrator.
Surname	Rickelton		
6	Administrator's address ②		
Building name/number	C/O FTI Consulting LLP		② Other administrator Use this section to tell us about another administrator.
Street	200 Aldersgate		
	Aldersgate Street		
Post town	London		
County/Region	Greater London		
Postcode	E C 1 A 4 H D		
Country	United Kingdom		
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature X  X		
Signature date	d 1 d 0 m 0 m 4 y 2 y 0 y 2 y 4		

**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 **Mike Rawle**

Company name **FTI Consulting LLP**

Address **C/O FTI Consulting LLP**

200 Aldersgate

Aldersgate Street

Post town **London**

County/Region **Greater London**

Postcode **E C 1 A 4 H D**

Country **United Kingdom**

DX

Telephone **+44 20 7979 7449**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Ali Abbas

Surname

Khaki

3 Insolvency practitioner's address

Building name/number

C/O FTI Consulting LLP

Street

200 Aldersgate

Aldersgate Street

Post town

London

County/Region

Greater London

Postcode

E C 1 A 4 H D

Country

United Kingdom



To All Known Creditors

**Avanti Communications Group Plc
Avanti Communications Limited
(in Administration)**

Joint Administrators' Final Progress Report

Pursuant to Rule 3.61(4) of the Insolvency (England and Wales) Rules 2016 and Paragraph 84 of Schedule B1 to the Insolvency Act 1986 (as amended)

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GLOSSARY



Commonly Used Terms	Definition	Case Specific References	Meaning
Act / IA86	Insolvency Act 1986 (as amended)	1+	Solus, Blackrock, Great Elm, MSD, and Robus: 1+Lien Debt Holders
c.	Approximately	1L or SSF	HPS: 1st Lien Debt Holder, Super Senior Facility
CDDA	Company Directors Disqualification Act 1986	ACL	Avanti Communications Limited
CT	Corporation Tax	Administration(s)	The Administrations of Avanti Communications Group Plc and Avanti Communications Limited
CVL	Creditor's Voluntary Liquidation	AH2L	Avanti Hylas 2 Limited
DBT	Department for Business and Trade	Aon	Aon UK Limited
EBITDAP	Earnings Before Interest, Taxes, Depreciation, Amortization and Pension Income	APA	Asset Purchase Agreement
FTI / FTI UK	FTI Consulting LLP	Appointment Date	13 April 2022
HMRC	HM Revenue & Customs	CAPA	Consultiam Property Limited, trading as CAPA
ICAEW	Institute of Chartered Accountants in England & Wales	the Companies	ACL and Plc collectively
IR16 / the Rules/ Rule	Insolvency (England and Wales) Rules 2016 (as amended)	EBT	Employee Benefit Trust
PAYE / NIC	Pay-as-you-earn tax / National Insurance Contributions	Funding Agreement	Administration Funding Agreement between the Companies, the Joint Administrators and Plate Newco 2 Limited
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay, and certain unpaid pension contributions. Second ranking: HMRC in respect to certain specified debts	the Group	Plc and its subsidiaries
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86	IHT	Inheritance Tax
Sch B1 IA86	Schedule B1 IA86	Joint Administrators / we / our / us /	Matthew Boyd Callaghan, Lisa Jane Rickelton and Ali Abbas Khaki
SIP	Statement of Insolvency Practice	Lender / Secured Creditor	Holders of SSF, 1+ Lien (1L/Mezzanine Debt) and PIK Notes, who have a shared security package over the Group. Creditors with security in respect of their debt in accordance with Section 248 IA86
SIP 2	Investigations by office holders in administration and insolvent liquidations	the Period	13 October 2023 to 10 April 2024
SIP 7	Presentation of financial information in insolvency proceedings	PIK	Pay in Kind
SIP 9	Payments to insolvency office holders and their associates from an estate	Plc	Avanti Communications Group Plc
SIP 13	Disposal of assets to connected parties in an insolvency process	The Proposals	The Statement of Proposals dated 13 April 2022
SIP 16	Pre-packaged sales in administrations	Purchaser	Plate Bidco 4 Limited
SIP 16 Statement	Detailed narrative explanation and justification of why a pre-packaged sale was undertaken and all alternatives considered, to demonstrate that the administrator has acted with due regard for creditors' interests	Security Trustee	GLAS Trust Corporation Limited (GLAS)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006	Transaction	The sale of the Target Assets to the Purchaser by way of a pre-pack
Unsecured creditors	Principally trade creditors, landlords, utility providers and HMRC		
VAT	Value Added Tax		



Purpose of this Report

PURPOSE OF THIS REPORT



Purpose of this Report

- Matthew Boyd Callaghan, Lisa Jane Rickelton and Ali Abbas Khaki were appointed as joint administrators of Avanti Communications Group Plc and Avanti Communications Limited on 13 April 2022.
- The Administrations are now being brought to an end by moving the Companies to dissolution and pursuant to Rule 3.61 IR16, we are required to provide creditors, the Court and the Registrar of Companies with a final progress report. The report contains:
 - A summary of our Proposals;
 - An explanation of the work we have done and how the Administrations were progressed;
 - Confirmation of the outcome of the Administrations and for each class of creditor;
 - A statement of our receipts and payments and details of the expenses we have incurred;
 - Confirmation of our remuneration for acting as joint administrators; and
 - Further information required by statute regarding our appointment as joint administrators.
- Where relevant, we have provided information specifically covering the period from 13 October 2023 to 10 April 2024. Information relating to previous periods in the Administrations was included in our periodic progress reports, which continue to be available online (see 'How to Contact Us', opposite).
- Background information on the Companies and events leading up to the Administrations can be found in our Proposals, which also continue to be available online.
- Certain legal notices regarding this report, our appointment and creditors' rights are included in Appendix B.
- If you have any queries regarding the content of this report or if you would like hard copies of any of the documents made available online, please contact us using the details provided opposite.

Matthew Boyd Callaghan
Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators, who act as agents of the Companies and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

How to contact us

- Creditors can contact us using the preferred methods below:

Email: avantiadministrators@fticonsulting.com

Post: Avanti Communications Group Plc /
Avanti Communications Limited,
c/o FTI Consulting LLP,
200 Aldersgate,
Aldersgate Street,
London, EC1A 4HD

Tel: +44 20 7979 7449

- Further information can be found online at:
<https://www.ips-docs.com/>
(login details previously provided to creditors).

Actions Required by Creditors

- **No actions are required by creditors. This report is for information purposes only.**
- This is the final progress report for the Administrations and no further reports will be issued.
- The Administrations will conclude by moving to dissolution pursuant to Paragraph 84 of Sch B1 IA86; further details are set out later in this report.

Summary of our Proposals

Our Proposals were delivered to creditors on 21 April 2022 and were deemed approved on 4 May 2022. There have been no amendments to, or deviations from, those Proposals.

Background to the Administration

- Background information on the Companies and the events leading up to the appointment of administrators were included in our Proposals and SIP 16 Statement and are not repeated here for the purposes of this report unless considered necessary or beneficial to do so.
- Similarly, progress during the first 18 months of the Administrations can be found in our previous progress reports dated 4 November 2022, 5 May 2023 and 6 November 2023.
- Therefore, creditors may wish to refer to these previous reports in conjunction with reading this final report. All reports made available for creditors to view and download are available on the website referred to earlier and will continue to be available until two months after the end of the Administrations.
- In summary, the Group had been adversely impacted by the Covid-19 pandemic as pipeline contracts had been delayed, and there had been delays in payment from contractual counterparties.
- Further, the business had become increasingly over-indebted and unable to address significant historic liabilities, with the position worsened by the non-payment of a material customer balance due.
- It was clear from prior abortive sales processes that the value of Group assets was unlikely to exceed the value of secured debt and that a restructuring was required. Whilst the Secured Creditors were willing to provide funding to consider various options, they were not willing to fund another sales process and there was no other source of monies to fund such a process.
- Certain of the Secured Creditors therefore agreed to provide new money funding contingent upon a material deleveraging of the Group's balance sheet, including through the equitisation of existing debt.
- It was proposed that a pre-packaged administration be used to deliver the anticipated transaction, which would result in a better outcome for the creditors of ACL and Plc as a whole than the alternative of an uncontrolled Group-wide liquidation.

Objective of the Administration

- As set out in our Proposals, the statutory objective of the Administrations was to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration).
- We believe that the objective of the Administrations was achieved for the following reasons:
 - Due to the quantum of the secured debt for which the Companies are guarantors and the Companies' funding requirements, it was not possible to rescue the Companies as a going concern;
 - It would not have been possible to provide the necessary comfort to the Group's key stakeholders regarding the Group's stability during the elongated period whilst a liquidator was appointed (such an appointment may also have resulted in termination of certain regulatory consents); and
 - Additional funding required to ensure continuity of operations was conditional on the delivery of a pre-packaged sale of the Companies' assets.
- Therefore, we consider that the pre-pack transaction enabled the statutory purpose to be achieved and that the outcome was the best available outcome for creditors as a whole in all the circumstances.
- As set out in our Proposals, one of the most likely exit routes for the Administrations would be the filing of a notice of dissolution with the Registrar of Companies before the automatic end of the Administrations.
- Such a notice results in deemed dissolution by the Registrar of Companies three months after the notice is registered.

Summary of our Proposals

Our work included protecting value in the Group's assets to maximise recoveries for Secured Creditors, managing the Companies' affairs and fulfilling our statutory obligations as joint administrators.

Managing and financing the Company's business and affairs

- At the time of issuing the Proposals, the following key actions had been undertaken with respect to the Administration of the Companies:
 - Upon appointment, transaction documentation was executed and the sale was completed (full details of the Transaction can be found in our SIP 16 Statement issued with our Proposals);
 - Consideration received from the Purchaser had been requested from the Security Trustee, as well as non-recourse funding for the purposes of completing the Administrations, held on trust by the Joint Administrators;
 - New bank accounts had been requested to be set up for the purposes of the Administrations, including receiving transaction consideration from the Purchaser and settling Administration expenses; and
 - Notices had been issued as required by insolvency legislation, ensuring adequate insurance cover was in place and we fulfilled all other obligations as joint administrators up to the date of issuing our Proposals.
- In our Proposals, we anticipated undertaking the following further work:
 - Issuing the Proposals and giving notice of their approval in due course;
 - Providing such post-sale assistance as was required to the Purchaser under the terms of the asset purchase agreements governing the sale of the Companies' assets;
 - Applying to Court for directions in respect of the nature of security over certain assets previously held by ACL in order to ascertain whether additional funding could be drawn for the benefit of preferential and unsecured creditors, as discussed in further detail in our SIP 16 Statement;
 - Distributing dividends to unsecured creditors in Plc and, to second-ranking preferential creditors and, if applicable, to unsecured creditors of ACL;
 - Completing our initial assessment of the conduct of the Companies' directors and submitting information to the DBT within three months of our appointment, as well as conducting any further investigations as required;
 - Requesting approval for the basis of our remuneration for acting as joint administrators;
 - Settling the expenses of the Administrations;
 - Reviewing the Companies' tax affairs and submitting CT returns for the requisite periods and subsequently seeking clearance to bring the Administrations to an end;
 - Preparing and issuing reports to the creditors on the progress of the Administrations; and
 - Ultimately closing the Administration bank accounts and doing all such other things required in order to bring the Administrations to an end and wind down the Companies' affairs in an orderly manner.

Remuneration

- In relation to the disposal of fixed and floating charge assets and associated post-transaction obligations in respect of such disposals for both Plc and ACL, we proposed (and the Secured Creditors agreed, together with the preferential creditors of ACL) that our remuneration would be determined as a set fee.
- Additionally, in respect of ACL only, we proposed that in relation to further statutory costs and continuing costs to determine whether there will be additional floating charge assets, our fees would be based on the time we and our staff spent on the case at our normal charge out rates for this type of work (a time cost basis).
- In respect of Plc, the fixed fee was set at \$1.755m, which was drawn from floating charge realisations. For ACL, the fixed fee was set at \$195k, which was drawn from fixed charge assets, given the majority of value realised was fixed charge in nature.
- Regarding the time costs element of our fees (ACL only), we gave creditors an initial fee estimate in the sum of \$260k, which was approved. Although we exceeded our fee estimate, we did not seek approval to draw remuneration in excess of the total amount as initially set out.



Progress of the Administrations

Background to the Administrations and the Prior Periods

The sale of the assets held by the Companies to their Secured Creditors allowed the injection of funding to facilitate a restructuring of the Group's balance sheet and to maximise the value of the Companies' assets.

Previously in the Administrations

- Creditors should refer to our Proposals and previous progress reports, for additional background on the Companies and the events leading up to the appointment of administrators, together with details of progress made during the first 18 months of the Administrations.
- On this page, we provide only a brief reminder of our work in the Administrations (and how the Administrations progressed) during those first 18 months.

Realising the Assets

- Our Proposals contain further detail on the rationale for the Transaction and why it helped to fulfil the purpose of the Administrations, which was to achieve a better outcome for the creditors of the Companies.
- We completed the reasonable work required to support the transfer of assets to the Purchaser, such as novation of contracts and leases, communications as necessary with counterparties and the completion of transfer documentation.
- Other realisations were mainly limited to refunds of business rates (ACL only), gross bank interest and a refund of pre-appointment bank charges (Plc only).
- At the time of our last report, no further assets were expected other than the potential for additional business rates recoveries. No such additional realisations were made in the Period, although a small amount of additional gross bank interest has been received. The Administrations are therefore capable of being brought to an end now that all our other work has been completed.
- Following our appointment, we worked closely with our legal advisers in order to make an application to Court, to determine whether a fixed charge had been created over certain intercompany receivables (which arose from the sale of certain assets).
- Judgement was handed down on 25 April 2023 confirming the fixed charge status of the Relevant Assets. Full detail in respect of this workstream and the impact on creditors is contained in detail in our previous progress reports to creditors.

Dealing with Creditors

- We set up a dedicated email address and helpline number in order for creditors to contact us and enable them to lodge a proof of debt. Queries received from creditors were responded to as appropriate and on a timely basis.
- We kept the Secured Creditors updated on relevant matters of interest, as required in the circumstances of the cases.
- At the time of our last report, we had given notice of intended dividend in respect of the final distribution to the preferential creditors (ACL only). Further we had written to the relevant unsecured creditors of Plc, requesting more evidence or more information in respect of their claims where required. Details of the final outcome of both of these matters are provided later in this report.

Managing the Companies' Affairs

- At the time of our last report, the only remaining VAT matter was in respect of submitting a final VAT 427 form, to reclaim input VAT incurred on expenses of the Administration.
- In respect of CT, we were awaiting submission of the final pre-appointment returns so that HMRC could make their final claim in the Administration of Plc. Further, once the pre-appointment CT position was finalised, it would then be possible to finalise the post-appointment position so that the Administrations could be brought to an end.

Fulfilling our Statutory Duties

- We completed and submitted our initial assessment regarding the Companies' affairs and conduct of the directors. We also fulfilled all other statutory and regulatory obligations arising as a result of our appointments as joint administrators.

Realising the Assets

Our work in relation to property matters and other asset realisations is summarised below.

Bank Interest

- During the Period, we accrued £1,345.73 in respect of bank interest in Plc. Plc's bank account was removed from bearing interest in November 2023 to finalise the CT position and to determine the final value of any surplus. For ACL, we accrued £59.05 in respect of bank interest. ACL's bank account had been removed from interest-bearing in the prior period.

Other Realisations

- At the outset of the Administrations, additional realisations outside of the Transaction or the court hearing in respect of the Relevant Assets (which ultimately determined that the Relevant Assets were fixed charge in nature) were not expected other than some bank interest.
- However, in respect of Plc, we received c.£20k since we were appointed, consisting mainly of bank interest and a refund of some pre-appointment bank charges. In ACL, we received c.£37.7k made up principally of a refund of a prepayment, cash at bank, business rates refunds and bank interest.
- We subsequently sought legal advice in respect of the treatment of the funds received and the following was confirmed:
 - Repayment of the loan facility under the Funding Agreement would rank as an expense of the Administration pursuant to paragraph 99(4) of Sch B1 IA86 and Rule 3.51(2) IR16.
 - However, repayment of the facility would be subordinated to other expenses of the Administrations (including payment of our remuneration and expenses), preferential debts and any Prescribed Part.
 - Liabilities in relation to both preferential debts and the Prescribed Part would only arise to the extent of the value of any realisations in the Administrations from floating charge assets.
 - The floating charge security was released on appointment so realisations would not be considered to be floating charge realisations to the extent they accrued subsequently.
- Regarding Plc, as the Prescribed Part was paid in full (£600k), there were no debts that ranked preferentially, and all other expenses of the Administration had been settled, the c.£20k surplus was therefore returned to Plate Newco 2 Limited as partial repayment of the non-recourse funding per the Funding Agreement.

- For ACL, some of the c.£37.7k of realisations were considered to be floating charge realisations as they related to assets of the Company prior to the release of the security (prepayments and cash at bank). Therefore, these amounts were included in the surplus available to be distributed to the preferential creditors.
- Funds received in respect of business rates and bank interest were not considered to be floating charge realisations as they accrued following the release of security. Therefore, these funds were returned to Plate Newco 2 Limited as partial repayment of the non-recourse funding per the Funding Agreement.

Landlord and Property

Head office premises

- As has been previously reported, the Companies vacated the head office premises on 13 April 2022 and keys were returned to the landlord's agent.
- In prior periods, we had explored the possibility of documenting a formal surrender in respect of the lease. This was ultimately not agreed, and a claim was made in the Administration of Plc by the landlord for all future rent to the determination date of the lease, together with rent arrears, security and maintenance costs, insurance costs and dilapidations.
- During the Period, we liaised extensively with the landlord and their legal advisers and requested further information and details in respect of their submitted claim in the Administration of Plc.
- Following recent case law, future rent is argued to be a contingent liability (where leases remain in force), subject to estimation under Rule 14.14 IR16. Therefore, an appropriate percentage of their claim for future rent was rejected, together with an element of their claim for dilapidations. No appeal was received in respect of our decision.
- Further details in respect of the distribution to the unsecured creditors of Plc are contained later in our report.

Business Rates Recoveries

- Shortly after appointment, we appointed specialist property agents, CAPA, to assist with business rates recoveries on the head office premises. In prior periods, CAPA had recovered £26,946 from this source. These funds have been received into our bank account and are shown in the Receipts and Payments account for ACL at Appendix C.
- No further recoveries were made in the Period.

Dealing with Stakeholders and Creditors

During the Period, we declared a final dividend to the preferential creditors of ACL, and a first and final dividend to the ordinary unsecured creditors of Plc.

- We set out below the work done in the Period relating to each class of creditor and other stakeholders.
- The amounts owed to the various classes of creditors, the recovery in each case and (where appropriate) information in respect of distributions are set out later in this report.

Secured Creditors

- Throughout the Administration, a regular dialogue has been held with the Companies' Secured Creditors, often via the Security Trustee, and they were frequently updated on Administration expenses, funding, post-transaction assistance to the Purchaser, asset realisations and other matters of interest to them. The Secured Creditors have the principal financial interest in the Administrations.
- During the Period, further correspondence continued to take place on *ad hoc* issues and queries.

Preferential Creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.
- The Companies did not have any employees at the time of our appointment, so there were no first-ranking preferential creditors.
- HMRC were a known second-ranking preferential creditor of ACL, and they made a claim in the Administration.

- As has previously been reported, the Group's payroll provider continued using ACL's pre-appointment PAYE code for the full month of April 2022.
- We were later notified of this error and had been liaising extensively with the Group and our internal PAYE specialists, and agreed with the Group that they would continue to work with their payroll provider to correct this and change ACL's PAYE scheme closure date to 12 April 2022.
- We also wrote to HMRC setting out the error and the correct PAYE position in detail for ACL.
- On 4 July 2023, as we had not received a response from HMRC in respect of the PAYE issues noted above and had not received an updated final claim, we part-rejected HMRC's preferential claim to the extent of the *pro rata* payroll submission error for April 2022. This part-rejection of their claim was not appealed.
- HMRC were ACL's only preferential creditor in any event and therefore received 100% of the distribution to preferential creditors.
- Details of the timings and amounts distributed to the preferential creditors of ACL are contained later in this report.
- The amount distributed for the final dividend was lower than had previously been anticipated, following the legal advice received in respect of asset realisations in the post-appointment period (see previous page for more details).
- Plc did not have debts payable to HMRC that could rank preferentially.

Dealing with Stakeholders and Creditors

Our work has included adjudicating on claims in relation to amounts owed to the unsecured creditors. We have also responded to queries received from creditors and other key stakeholders.

Unsecured Creditors

- During the Period, we received a number of queries from creditors on matters relating to their claim or the impact of the Administrations. We responded to queries to the extent possible and using the information available to us.
- We invited creditors to submit their claims to us via the Turnkey Insolvency Portal, in anticipation of the dividend payable by way of the Prescribed Part in Plc (and until the judgement in the determination hearing, there was potential for a Prescribed Part dividend in ACL).
- With regards to communication with creditors, we actively managed the Turnkey Insolvency Portal to enable creditors to have access to timely information on the progress of the Administrations, such as the first, second and third Progress Reports, and notice of the 12-month extension to the Administrations.
- During the Period, we gave notice to the ordinary unsecured creditors of Plc of a first and final dividend, with a last date for proving of 5 January 2024. We reviewed proofs of debt received from unsecured creditors, adjudicated on them accordingly, and formally admitted them for the payment of a dividend.

PIK Noteholders

- Prior to our appointment, the PIK Noteholders were a Secured Creditor of the Companies. However, as part of the Transaction, their security was released, although the notes themselves were not, and therefore the PIK Noteholders are an unsecured creditor in the Administrations.
- As a result of this, the PIK Noteholders were entitled to a share of the Prescribed Part proceeds in Plc.
- Three of the Noteholders had previously submitted individual claims in the Administration. However, following the issuing of the Notice of Intended Dividend to unsecured creditors, GLAS as Security Trustee submitted a claim into the Administration of Plc on behalf of all Noteholders in the sum of \$491,452,066.36, made up as follows:

- The principal amount at 13 April 2022 of \$489,982,120; and
- Accrued but uncapitalised interest of 12 days from 1 April 2022 to 13 April 2022.
- At an exchange rate of 1.3038:1 USD:GBP (the Bank of England exchange rate at the date of our appointment), this gave a claim value of £376,938,232.
- The total final value of unsecured claims admitted for dividend was £392,958,237.
- The Prescribed Part funds were distributed to the unsecured creditors in the Period and therefore all PIK Noteholders should contact GLAS as Security Trustee directly at dcm@glas.agency in respect of payment of their claims.
- Final outcomes for each class of creditor are provided later in this report. However, as a result of the claim by the Security Trustee, the final p/E distributed was significantly lower than previously anticipated.

Shareholders

- There was no return to the Companies' shareholders as there was a material shortfall to the Companies' creditors.
- However, during the Period, we received several queries from some Plc shareholders (both retail and institutional) on:
 - The status of the Administration;
 - Likely returns to the shareholders; and
 - Possible share transfers.
- We dealt with these queries to the extent possible and any changes in ownership have been recorded on the share register accordingly.

Managing the Companies' Affairs

Our appointments require us to manage certain of the Companies' affairs, particularly in respect of corporation tax and VAT.

VAT

- Following our appointment, the Companies were subsequently removed from the VAT Group, with the original VAT registration being transferred to the Purchaser.
- Following removal from the group registration, payments had been made and input VAT became recoverable. A VAT 427 form was prepared and submitted to HMRC for each of the Companies. Following our submission, we received a refund of £285,594.20 in respect of Plc and £140,043.51 in respect of ACL.
- Since the claim for a refund was submitted, we have made a small number of further payments in the Administrations and therefore additional input VAT was recoverable.
- In respect of Plc, this has been reclaimed by way of a further VAT 427 form, the benefit of which has been assigned to Plate Newco 2 Limited, which is the entity that provided the funding facilities to the Administrations from which the expenses were paid. The amount claimed is £3,881.34.
- We did not make a further VAT refund claim in the Administration of ACL as the recoverable amount is less than £30, and the costs of claiming this would vastly outweigh the value of the refund.

CT

- During the Period, the remaining pre-appointment CT returns for 2021 and the stub period ending 12 April 2022 were prepared and submitted by the Group, given the familiarity of the Group's tax advisors with the Group's previous group taxation arrangements.
- In respect of Plc, this resulted in a tax liability of £379,921 (2021) and £1,000 (2022). However, given these amounts related to pre-appointment periods, they formed part of HMRC's unsecured claim in the Administration.
- Once the pre-appointment returns were finalised, HMRC submitted their final claim in the Administration of Plc and this claim was adjudicated as part of the Prescribed Part dividend process.

- We did not receive a final claim in the Administration of ACL but, as there was a shortfall to the preferential creditors and therefore there were no amounts payable to the unsecured creditors of that company, this did not affect the amounts payable to HMRC.
- During the Period, for the post-appointment period, we prepared and submitted returns for the one-day period on 13 April 2022, and for the periods ending 31 December 2022 and 31 December 2023.
- No tax was payable for any of these periods.
- As no taxable income was received in either of the Administrations from 1 January 2024, we wrote to HMRC advising them of this and that no further CT returns would be prepared in the Administrations.

Treasury and Accounting

- An account of our receipts and payments for the period covered by this report is provided at Appendix C. Monthly bank reconciliations have been performed for all Administration bank accounts.
- Receipts in the Period relate only to gross bank interest only (both entities).
- Payments in the Period predominantly consist of professional fees, legal fees, and officeholders' disbursements (Plc) and of officeholders' disbursements (ACL).

Fulfilling our Statutory Duties

As a consequence of the Companies' insolvency, we had a number of responsibilities that included investigating the affairs of the Companies, seeking fee approval and arranging for the closure of the Administrations.

Directors' Conduct and Investigations

- In our first progress report, we confirmed that we had submitted information in regard to the conduct of the Companies' directors to the DBT. The content of our investigatory findings is confidential. However, it was concluded that there were no recovery actions relating to the directors' conduct that could or should be pursued.
- No further information came to light during the Period that has required further investigations regarding the directors' conduct or any potential asset recovery actions.

Other Statutory Matters

- In addition to the work required in bringing the Administrations to an end, which is described later in this section, other work arising in the Period as a consequence of our appointment as joint administrators has included:
 - Preparing and issuing (in November 2023) our third progress report on the Administrations to the creditors and filing it with Companies House;
 - Issuing notices relating to the unsecured dividend (Plc); and
 - Internal periodic case reviews to ensure the strategy continued to be appropriate and the Administrations were progressing on a timely basis.

Joint Administrators' Remuneration

- In Appendix D, we have provided an update and the final position on matters relating to our remuneration and expenses, including the costs that have been incurred, what creditors approved and how much was drawn in the Administrations.

Extensions to the Period of the Administrations

- Insolvency legislation sets a 12-month maximum duration for administrations, unless the period is extended by the Court or creditors.
- As previously reported, in order to allow sufficient time for outstanding matters to be resolved, we sought consent of the relevant creditors of the Companies, as permitted by Paragraph 76(2)(b) of Sch B1 IA86, for the period of the Administrations to be extended.
- A request to extend the Administrations by 12 months to 12 April 2024 was approved by the Secured Creditors (both entities) and the preferential creditors (ACL only).
- A further extension of the Administrations was not required, with the Administrations now concluded prior to the expiry of the extended period of the Administrations.

Discharge from Liability

- Pursuant to Paragraph 98 of Sch B1 IA86, our discharge from liability in respect of our actions as joint administrators of each of the Companies takes effect at the specific time determined by either the court, the creditors (either via any creditors' committee or by decision of the creditors) or, in specific circumstances, by consent of the Secured Creditors and (if appropriate) a decision by the preferential creditors.
- We obtained consent from the Secured Creditors by way of the Security Trustee on 4 April 2024 in respect of both Plc and ACL.
- Additionally, in respect of ACL only, we sought a decision of the preferential creditors by way of a deemed consent process. No objections were received from creditors by the decision date of 6 March 2024 and therefore the decision was made.

Fulfilling our Statutory Duties

The Administrations of the Companies will end prior to their second anniversary on 12 April 2024.

Exit route from the Administrations

- Now that we have concluded all matters in the Administrations, our appointments will cease to have effect and the Administrations will end upon filing of the notice of dissolution with the Registrar of Companies before the automatic end of the Administrations on 12 April 2024.
- Such a notice results in deemed dissolution by the Registrar of Companies three months after the notice is registered.
- We will not be issuing any further reports in respect of the Administrations.
- All documents will be retained on our website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided (free of charge) a hard copy of documents posted to the website either now or in the future.



Outcomes for Creditors

Outcomes for Creditors

Returns to Secured Creditors were driven by the consideration received for the Companies' assets, and the judgement in respect of the Relevant Assets has provided the necessary clarity for ACL's creditors.

Secured Creditors

- As the Group's principal reporting currency was USD, the transaction was agreed in USD and Lender debts were denominated in USD. We have therefore reported creditor returns in this currency.
- The Group Facility Agreement was secured by way of a guarantee over the assets of the Companies as well as charges and guarantees over other Group entities.
- For the reasons explained in our Proposals, the assets of the Companies were sold to the Secured Creditor-owned vehicle via a pre-pack transaction. The sale consideration received was \$190m as set out in more detail in our SIP 16 Statement.
- The sale consideration was first used to repay the transaction costs, per the intercreditor waterfall between Secured Creditors.
- Pre-administration debts owed to the prior ranking SSF and 1.0625L tranche of the Secured Creditors, were either novated to the Purchaser or exchanged for new debt payable by the Purchaser, as part of the overall restructuring, representing a 100c/\$ distribution to them.
- Certain mezzanine debt holders, PIK Noteholders who voted in favour of the restructuring (and/or provided new money) who are "out of the money", received equity or reinstated debt in the ultimate equity owner of the Purchaser, but this did not form part of the sale consideration.
- More detail on the outcome for each tranche of Secured Creditors can be seen overleaf.

First-Ranking Preferential Creditors

- Preferential claims are paid from the realisation of assets subject to a floating charge after the costs of the administration have been paid or provided for.
- The Companies did not have any employees at the time of our appointment and therefore there were no first-ranking preferential claims.

Plc: Second-Ranking Preferential Creditors

- Plc did not have debts payable to HMRC that could rank preferentially and therefore there were no distributions to second-ranking preferential creditors.

ACL: Second-Ranking Preferential Creditors

- We received an interim preferential claim from the sole preferential creditor of ACL in the sum of £5.295m in respect of unpaid PAYE and related liabilities.
- As has been stated earlier, due to unresolved PAYE issues relating to the incorrect use of ACL's PAYE code after 13 April 2022, we were required to partially reject HMRC's preferential claim in the sum of £192,141.59. This resulted in a net admitted claim amount of £5,102,897.58.
- On 22 August 2023, we declared an interim dividend of 10.53p/£ and the total amount distributed was £537,206.59.
- During the Period, we gave notice to the preferential creditors of a final dividend, with a last date for proving of 24 November 2023. On 14 December 2023, we declared a final dividend of 0.094p/£ and the total amount distributed was £4,807.94.
- Therefore, the total amount distributed to the preferential creditors of ACL in the Administration was £542,014.53 (10.62p/£), and no further distributions will be made.

Outcomes for Creditors

A maximum Prescribed Part fund of £600,000 was available in the Administration of Plc and was distributed to the creditors in the Period.

Unsecured Creditors

- In an administration, dividends may become available for unsecured creditors from two sources:
 - The statutory (ring-fenced) Prescribed Part fund (see opposite for more details; and/or
 - The surplus remaining after any secured and preferential creditors have been repaid in full.
- In this case, there were insufficient funds to repay the Secured Creditors in full in the Administrations and as such a distribution to the unsecured creditors only arose by virtue of the Prescribed Part, under Section 176A(2)(a) IA86 (Plc only).
- The table opposite shows the final outcome for the various classes of creditors.

Plc: Prescribed Part

- Based on a net property value of \$147.5m, the statutory maximum Prescribed Part fund (£600k) was available to the unsecured creditors of Plc.
- The quantum of unsecured creditor claims admitted in the Administration of Plc was £392,958,236.95.
- On 4 March 2024, we declared a first and final dividend of 0.152688p/£ and the total amount distributed was £600,000.

ACL: Prescribed Part

- As there was a shortfall to the second-ranking preferential creditors, the value of the Prescribed Part was nil and therefore there were no distributions to unsecured creditors.
- As previously reported, following the outcome of the determination hearing, additional funding was not able to be claimed.

Creditor class	Amount owed	Recovery	Timing of Payment
SSF	\$165m	Debt fully assumed by Purchaser affiliate Purchaser equity (variable)	Immediately on appointment
Bridge funding	\$14m	Full debt reinstatement Purchaser equity (variable)	Immediately on appointment
1+ Lenders (guarantee only)	\$141m	Partial debt reinstatement (on subordinated basis) Purchaser equity (variable)	Immediately on appointment
PIK Noteholders	\$491m	Purchaser equity (variable) Unsecured distribution: 0.152688p/£	Immediately on appointment March 2024
Preferential creditors (ACL)	£5.1m	10.62p/£	December 2023
Unsecured creditors	£393m £32m	Plc: 0.152688p/£ ACL: nil	March 2024 n/a

Shareholders

- There was no return made to the Companies' shareholders as there was a material shortfall to the Companies' creditors.



Appendices

Appendix A: Statutory information

Avanti Communications Group Plc

Company Information	Details
■ Company name:	■ Avanti Communications Group Plc
■ Previous name:	■ n/a
■ Trading name:	■ Avanti Communications Group Plc
■ Company number:	■ 06133927
■ Date of incorporation:	■ 01 March 2007
■ Former Trading address:	■ Cobham House, 20 Black Friars Lane, London, EC4V 6EB
■ Current registered office:	■ C/O FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
■ Former registered office:	■ Cobham House, 20 Black Friars Lane, London, EC4V 6EB
■ Principal trading activity:	■ 61300 - Satellite telecommunications activities
■ Appointment Details:	■ Administration
■ Administrators:	■ Matthew Boyd Callaghan, Lisa Jane Rickelton, Ali Abbas Khaki
■ Administrators' address:	■ FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Company Information	Details
■ Date of appointment:	■ 13 April 2022
■ Court name and reference:	■ High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd) ■ CR-2022-001107
■ Appointment made by:	■ The Directors of the Company
■ Actions of Administrators:	■ For the purposes of paragraph 100(2) of Schedule B1, the Joint Administrators may exercise any of the powers conferred on them by the IA 1986 jointly or individually.
■ Officers of the Company:	■ Bridget Sheldon-Hill, Steven Edward Evans, Alan Paul Harper, Richard Mastoloni, Derek Gordon Smith, Kyle David Whitehill
■ Company Secretary:	■ Bridget Sheldon-Hill
■ Shareholdings held by the directors and company secretary:	■ No shareholdings held by directors
■ Share Capital:	■ Authorised: 2,163,335,585 ordinary shares £0.01 each ■ Allotted, called up and fully paid: 2,163,335,585 ordinary shares £0.01 each
■ EU Regulation on Insolvency Proceedings:	■ The proceedings flowing from the appointment will be COMI proceedings because the Company is a private limited company incorporated in England, operated from its registered address in England and with its centre of main interests in England. The Company conducts the administration of its interests on a regular basis in England and this is known to its key creditors and is ascertainable by other third parties.

Appendix A: Statutory information

Avanti Communications Limited

Company Information Details

■ Company name:	■ Avanti Communications Limited
■ Previous name:	■ n/a
■ Trading name:	■ Avanti Communications Limited
■ Company number:	■ 03101607
■ Date of incorporation:	■ 13 September 1995
■ Former Trading address:	■ Cobham House, 20 Black Friars Lane, London, EC4V 6EB
■ Current registered office:	■ C/O FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
■ Former registered office:	■ Cobham House, 20 Black Friars Lane, London, EC4V 6EB
■ Principal trading activity:	■ 61300 - Satellite telecommunications activities
■ Appointment Details:	■ Administration
■ Administrators:	■ Matthew Boyd Callaghan, Lisa Jane Rickelton, Ali Abbas Khaki
■ Administrators' address:	■ FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Company Information Details

■ Date of appointment:	■ 13 April 2022
■ Court name and reference:	■ High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd) ■ CR-2022-001108
■ Appointment made by:	■ The Directors of the Company
■ Actions of Administrators:	■ For the purposes of paragraph 100(2) of Schedule B1, the Joint Administrators may exercise any of the powers conferred on them by the IA 1986 jointly or individually.
■ Officers of the Company:	■ Bridget Sheldon-Hill, Robert Plews, Kyle David Whitehill
■ Company Secretary:	■ Bridget Sheldon-Hill
■ Shareholdings held by the directors and company secretary:	■ No shareholdings held by directors
■ Share Capital:	■ Authorised: 7,565,390 ordinary shares £0.01 each ■ Allotted, called up and fully paid: 7,565,390 ordinary shares £0.01 each
■ EU Regulation on Insolvency Proceedings:	■ The proceedings flowing from the appointment will be COMI proceedings because the Company is a private limited company incorporated in England, operated from its registered address in England and with its centre of main interests in England. The Company conducts the administration of its interests on a regular basis in England and this is known to its key creditors and is ascertainable by other third parties.

Appendix B: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the insolvency proceedings.
- It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or Companies subject to these insolvency proceedings.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/uk/creditors-portal>.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
<https://www.fticonsulting.com/uk/creditors-portal/forms-and-information>
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.
- The above documents on our website are called:
 - Creditors Guide to Administration (E&W, February 2023)
 - Guide to Administrators Fees April 2021 England Wales
- Details of the above rights are also set out on the right.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information in our Data Privacy statement on our website at <https://www.fticonsulting.com/uk/creditors-portal>.

Creditors' Right to Challenge Remuneration and/or Expenses

- Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.
- Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

Creditors Right to Request Information

- Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Administrators of the Company to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.

APPENDIX C



Appendix C: Receipts and Payments Account, Plc

Receipts and Payments - Plc (£)	Statement of Affairs	13 April 2022 to 12 October 2023	13 October 2023 to 10 April 2024	Total
Fixed Charge				
Shares (Fixed Charge)	14	14	-	14
Total Receipts	14	14	-	14
Net Position		14		14
Fixed Charge Distribution		(14)	-	(14)
Net Position After Distributions		-		-
Floating Charge				
Inter-Company Receivables	109,266,481	108,765,569	-	108,765,569
Leased Assets	1	1	-	1
Goodwill	1	1	-	1
Seller's Records	1	1	-	1
Business Claims	1	1	-	1
Business Receivables	369,616	367,921	-	367,921
Supply Contracts (Inc Prepayments)	302,107	300,721	-	300,721
Coordination Agreement	1	1	-	1
Customer Contracts	3,267,726	3,252,745	-	3,252,745
Business IPR	1	1	-	1
Total Receipts	113,205,936	112,686,960	-	112,686,960
Officeholders' Fees		(1,340,923)		(1,340,923)
FX Conversion		(5,134)	-	(5,134)
Total Payments		(1,346,057)	-	(1,346,057)
Net Position		111,340,902		111,340,902
1 Prescribed Part Distribution		-	(600,000)	(600,000)
Floating Charge Distribution		(110,740,902)	-	(110,740,902)
Net Position After Distributions				-

Receipts and Payments - Plc (£)	13 April 2022 to 12 October 2023	13 October 2023 to 10 April 2024	Total
Non-Recourse Funding			
Non-Recourse Funding	76,029	-	76,029
Pensions - Refunds	390	-	390
Misc. Receipt	14,182	-	14,182
Bank Interest Gross	4,095	1,346	5,441
FX Gain	2	-	2
Non-Recourse Funding Transferred to ACL	(102)	-	(102)
Non-Recourse Funding Received From ACL	57,470	3,240	60,710
Total Receipts	152,067	4,586	156,652
Insurance of Assets	(179)	-	(179)
2 Legal Fees	(44,581)	(14,068)	(58,649)
Professional Services	(965)	-	(965)
Officeholders' Expenses	-	(239)	(239)
Statutory Advertising	(190)	(99)	(289)
3 Security Agent's Fees	(2,131)	(5,000)	(7,131)
Bank Charges	(16)	-	(16)
4 Funding Returned to Provider	-	(89,184)	(89,184)
Total Payments	(48,062)	(108,591)	(156,652)
Non-Recourse Funding Remaining in Plc	104,005	(104,005)	-

Notes to the Accounts

- 1 We have paid the maximum Prescribed Part dividend of £600k to unsecured creditors.
- 2 Legal fees have been incurred in the Period in respect of advice regarding the surplus and the treatment of floating charge realisations, and in respect of the consent process for the Secured Creditors' agreement to our discharge from liability.
- 3 Security Agent's fees have been paid in the Period in respect of the consent process stated above.
- 4 All remaining non-recourse funding has been repaid in line with the Funding Agreement. The amount shown is inclusive of a pending VAT refund of £3,881.34, which has been assigned under the VAT reclaim assignment procedure.

All costs are shown net of VAT unless otherwise stated.

Receipts and payments accounts were shown in our Proposals in USD as all transactions on 13 April 2022 had been in that currency. All values are shown here in GBP, using the prevailing exchange rate on the date of our appointment for the USD transactions. Since the date of our appointment, all transactions have been made in GBP.

APPENDIX C



Appendix C: Receipts and Payments Account, ACL

Receipts and Payments - ACL (£)	Statement of Affairs	13 April 2022 to 12 October 2023	13 October 2023 to 10 April 2024	Total
Fixed Charge				
FMV Slots Receivable from AH2L	26,865,290	26,742,130	-	26,742,130
Satellite Related Assets (Fixed Charge)	5,033,374	5,010,299	-	5,010,299
Total Receipts	31,898,664	31,752,429	-	31,752,429
Officeholders' Fees		(148,991)	-	(148,991)
Total Payments		(148,991)	-	(148,991)
Net Position		31,603,438		31,603,438
Fixed Charge Distribution		(31,603,437)	-	(31,603,437)
Net Position After Distributions		-		-
Floating Charge				
Supply Contracts (Inc prepayments)	428,616	431,563	-	431,563
Leased Assets - ASL	2	2	-	2
Goodwill	1	1	-	1
Seller's Records	1	1	-	1
Business Claims	1	1	-	1
Cash At Bank	1,010	178	-	178
Business Receivables	212,699	211,724	-	211,724
Customer Contracts	48,219	47,998	-	47,998
FF&E and Office and Computer	58,850	58,580	-	58,580
Total Receipts	749,399	750,047	-	750,047
Office Holders' Fees		(208,033)	-	(208,033)
Total Payments		(208,033)	-	(208,033)
Net Position		542,014		542,013.93
1 Preferential Distribution		(537,207)	(4,807)	(542,013.93)
Net Position After Distributions		4,807	(4,807)	-

Receipts and Payments - ACL (£)	13 April 2022 to 12 April 2023	13 October 2023 to 10 April 2024	Total
Non-Recourse Funding			
Non-Recourse Funding Transferred from Plc	102	-	102
Business Rates Refunds	26,946	-	26,946
Bank Interest Gross	5,631	59	5,690
XR Difference	-	2	2
Non-Recourse Funding	453,851	-	453,851
Total Receipts	486,530	61	486,591
Non-Recourse Funding Transferred to Plc	(57,470)	(3,240)	(60,710)
Officeholders' Expenses	-	(149)	(149)
Legal Fees	(333,369)	-	(333,369)
Insurance of Assets	(179)	-	(179)
Statutory Advertising	(190)	-	(190)
Security Agent's Fees	(2,131)	-	(2,131)
Specific Bond	(75)	-	(75)
Bank Charges	(13)	-	(13)
Irrecoverable VAT	-	(30)	(30)
Business Rates Recovery Fees	(6,736)	-	(6,736)
2 Funding Returned to Provider	-	(83,010)	(83,010)
Total Payments	(400,163)	(86,428)	(486,591)
Non-Recourse Funding Remaining in ACL	86,367	(86,367)	-

Notes to the Accounts

- 1 We have made a final distribution to the Preferential Creditor in the Period.
- 2 All remaining non-recourse funding has now been returned per the Funding Agreement.

All costs are shown net of VAT unless otherwise stated.

Receipts and payments accounts were shown in our Proposals in USD as all transactions on 13 April 2022 had been in that currency. All values are shown here in GBP, using the prevailing exchange rate on the date of our appointment for the USD transactions. Since the date of our appointment, all transactions have been made in GBP.

Appendix D: Joint Administrators' Remuneration and Expenses

This appendix provides additional information in respect of our fees and expenses and the work undertaken during the Administrations.

Basis of our remuneration

- Pursuant to Rule 18.16 IR16, the remuneration of administrators can be fixed on the basis of one of (or a combination of) the following:
 - a) as a percentage of the value of property with which he has to deal;
 - b) by reference to time properly given by the administrator and his staff attending to matters arising in the administration; or
 - c) a set amount (a fixed fee).
- As no committee had been established, it was proposed that our remuneration be fixed in accordance with options b) and c) above and that proposed fees be approved in accordance with Rule 18.18 IR16. These rules are outlined below.
- As we made a statement under Paragraph 52(1)(b) of Sch B1 IA86, the basis of our remuneration may be fixed by the approval of:
 - Each secured creditor; or
 - If we intended to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of the preferential creditors who respond to an invitation to consider approval.
- We set out opposite the proposed bases of our fees, the dates when approval was obtained, and from which classes of creditor.
- Earlier in this report and later in this Appendix, we have given a description of the things done by us and our staff during the Period. Creditors can refer to our previous reports for details of work performed in the previous periods. All work anticipated at the start of the Administrations has now been undertaken and concluded, with the purposes of the Administrations having now been achieved.
- Later in this Appendix, we set out a comparison of the fees estimate and our time costs to date (ACL only).

- In respect of the fixed fees, we believe that the set amount was a fair and reasonable reflection of the work required in the Administration.
- All agreed fees have now been drawn from the estates in full.

Avanti Communications Group Plc

- In relation to the disposal of fixed and floating charge assets and associated post-transaction obligations in respect of such disposals, on 12 May 2022, the Secured Creditors approved our fees as a fixed fee of \$1.755m payable out of floating charge realisations, given the *de minimus* value of fixed charge assets realised.

Avanti Communications Limited

- In relation to the disposal of fixed and floating charge assets and associated post transaction obligations in respect of such disposals, we proposed a fixed fee of \$195k payable from fixed charge realisations, given the majority of value realised is fixed charge in nature.
- Additionally, we proposed that in relation to all other work including statutory matters and work to determine whether there would be additional floating charge assets, our fees would be based on the time we and our staff spend on the case at our normal charge-out rates for this type of work (a time cost basis).
- Our fee proposal was approved by the Secured Creditors on 12 May 2022 and by the preferential creditors on 16 June 2022, by way of a qualifying decision procedure.

Appendix D: Joint Administrators' Remuneration and Expenses

ACL's creditors determined that, in respect of floating charge assets, the basis of our fees would be on a time cost basis. As a result, the manner in which we allocate staff, charge our time and the hourly rates we use, are all important factors.

Staff allocation and time charging policy

- Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team at any point in time will usually consist of one or more of the grades shown in the table opposite, depending on the anticipated size and complexity of the assignment.
- Work is delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and they are supervised accordingly to maximise the cost effectiveness of the work done. Complex issues or important matters of exceptional responsibility are handled by more experienced senior staff or the office-holders themselves.
- All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. Time is charged in six-minute units. We don't charge general overhead costs.
- During the administration of the insolvency, we will also utilise the services of specialist teams within FTI Consulting LLP, principally in relation to VAT and tax matters and the costs of which are included within our fees estimate. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and efficient approach to the relevant workstreams is possible.

Hourly charge-out rates

- In the table below, we set out the hourly charge-out rates for the various grades of staff who may work on the case. In common with many professional firms, these rates may be subject to change periodically, for example to cover annual inflationary cost increases.
- In our Proposals, we included our standard charge-out rates in GBP. However, as our remuneration and time costs are calculated in USD, we have now shown our comparable rates in USD.
- Our charge-out rates in USD increased in October 2023 and those new scale rates are shown below.

Charge-Out Rates Grade of Staff	Restructuring		Tax	
	Rates from 1 October 2022 (\$/hour)	Rates from 1 October 2023 (\$/hour)	Rates from 1 October 2022 (\$/hour)	Rates from 1 October 2023 (\$/hour)
Senior Managing Director	1260	1445	1185	1250
Managing Director	1085	1240	995	1260
Senior Director	1010	1155	920	1135
Director	895	1025	875	1000
Senior Consultant	800	915	530	605
Consultant	680	780	450	515
Analyst / Associate (experienced)	460	530	355	345
Analyst / Associate	320	365	-	-
Administrative	245	285	215	245

Appendix D: Joint Administrators' Remuneration and Expenses

Prior to the determination of the basis of our remuneration, we provided all creditors with details of our fees estimate of \$260,000 (ACL only) in our Proposals dated 13 April 2022.

Fees estimate (ACL only)

- The fees estimate acts as a cap, whereby fees cannot be drawn over that amount without further approval from those who approved the fees.
- The table overleaf shows the time that was required in each area of the Administration (where a time cost basis applies) and the total cost based on the charge-out rates given earlier in this Appendix. As previously reported to creditors, our total fees estimate was \$260k, representing an estimated 449 hours at an average rate of \$579 per hour.
- The table compares this fees estimate with the time and costs incurred to the end of the Administration. Later in this Appendix, we provide further analysis and details of the work undertaken in the Period.
- The initial fees estimate included an approximation of the cost of our future work based on information available to us, our experience in these matters and certain assumptions regarding the time likely to be required. We had also made the following assumptions:
 - That the Administration would conclude within 12 months (which is no longer the case);
 - The volume of queries from creditors would be relatively limited, given the pre-packaged nature of the transaction and the volume of known creditors;
 - That a subsequent liquidation would not be required, and therefore this estimate does not include the cost of any subsequent liquidation; and
 - That work would be required to assist with the post-transaction obligations of ACL as vendor.

Further approval

- The reasons for exceeding our initial fees estimate are set out below:
 - The Administration went beyond its first-year anniversary due to the timing of the determination hearing and the subsequent judgement. This required us to undertake additional statutory and regulatory work, including issuing the statutory notices required in respect of the extension obtained.
 - Significant time was spent liaising with the Secured Creditors, their security agent, and their legal advisers in respect of obtaining their consent to the proposed extension to the Administration and to our discharge from liability. Due to the nature of the secured creditor group, consent was required from the Super Senior Lenders, the 1.5L Lenders and the PIK Noteholders.
 - Due to the required 12-month extension, a decision procedure was required to obtain the approval of the preferential creditor.
 - More time was spent in obtaining the approval of the preferential creditor to our remuneration than had been anticipated as we had to issue a second decision procedure, due to not having received any votes in the first procedure.
 - We incurred significant time liaising with both HMRC and AH2L in respect of resolving the PAYE issue referred to earlier in this report.
- Although we exceeded our fees estimate, we did not seek consent to the total fees incurred in the Administration, as shown in the table overleaf.

Appendix D: Joint Administrators' Remuneration and Expenses

Prior to the determination of the basis of our remuneration, we provided all creditors with details of our Fees Estimate of \$260,000 (ACL only) in our Proposals dated 13 April 2022.

Area of work	Fees Estimate Hours	Fees Estimate (\$k)	Total Hours Incurred	Total Cost (\$k)	Hours Variance	Cost Variance (\$k)
Controlling the Appointment	45	26	114.9	114.6	69.9	88.6
Realising the Assets	179	104	36.8	38.1	-142.2	-65.9
Dealing with Creditors	90	52	136.6	92.1	46.6	40.1
Managing the Company's Affairs	45	26	127.5	95.7	82.5	69.7
Fulfilling our Statutory Duties	90	52	208.1	135.0	118.1	83.0
Total	449	260	623.9	475.4	174.9	215.4

APPENDIX D



Appendix D: Joint Administrators' Remuneration and Expenses

ACL only: Analysis of time costs for the period from 13 October 2023 to 10 April 2024

Analysis of Floating Charge Time Costs in Accordance with SIP9 For Period

Time (Hours)

	Sr Managing Dir	Managing Dir	Director	Sr Consultant	Associate	Total Time	Total Cost (\$)	Average Cost (\$ / Hour)
Controlling our Appointment								
Appointee & Manager Reviews	-	-	-	1.5	-	1.5	1,373	915
Budgets, Fee Approval & Remuneration	-	1.0	-	1.3	-	2.3	2,414	1,049
Closure Matters	-	0.3	-	11.7	-	12.0	10,985	915
Subtotal	-	1.3	-	14.5	-	15.8	14,771	935
Realising the Assets								
Property (Management)	-	-	-	0.6	-	0.6	549	915
Insurance & Bonding	-	0.1	-	-	-	0.1	124	1,240
Subtotal	-	0.1	-	0.6	-	0.7	673	961
Dealing with Creditors								
Preferential Dividend	-	0.9	-	6.8	-	7.7	7,338	953
Unsecured Claims Agreement	-	0.3	-	-	-	0.3	372	1,240
Unsecured Dividends	0.7	-	-	1.2	1.9	3.8	2,803	738
Creditor Queries	-	-	-	0.4	0.6	1.0	585	585
Shareholders	-	-	-	-	1.1	1.1	399	362
Subtotal	0.7	1.2	-	8.4	3.6	13.9	11,497	827
Managing the Company's Affairs								
Tax	-	-	11.9	2.3	2.7	16.9	13,323	788
VAT	-	0.1	-	-	0.4	0.5	270	540
Bank Account Management	-	-	-	1.8	0.2	2.0	1,710	855
Receipts, Payments & Journals	-	0.5	-	-	1.8	2.3	1,277	555
FCA and Other Regulatory	-	-	-	-	0.1	0.1	37	365
Subtotal	-	0.6	11.9	4.1	5.2	21.8	16,616	762
Fulfilling Statutory Duties								
Initial Letters & Notices	-	-	-	-	0.5	0.5	183	365
Progress Reports	-	2.7	-	17.8	11.5	32.0	23,833	745
Other Statutory Matters	-	2.5	-	-	-	2.5	3,076	1,230
Subtotal	-	5.2	-	17.8	12.0	35.0	27,091	774
Total Time by Grade	0.7	8.4	11.9	45.4	20.8			
Total Costs for Period							70,647	
Amount Billed							-	
Costs Outstanding for Period							70,647	

APPENDIX D



Appendix D: Joint Administrators' Remuneration and Expenses

ACL only: Analysis of time costs for the period from 13 April 2022 to 10 April 2024

Analysis of Floating Charge Time Costs in Accordance with SIP9 to Date

Time (Hours)	Sr Managing Dir	Managing Dir	Sr Director	Director	Sr Consultant	Associate	Total Time	Total Cost (\$)	Average Cost (\$ / Hour)
Controlling our Appointment									
Pre-Appointment	-	1	-	-	-	-	0.5	558	1,115
Strategy & Planning	9	11	-	-	-	6	26.2	25,868	987
Appointee & Manager Reviews	34	1	-	-	13	3	51.1	56,404	1,104
Budgets, Fee Approval & Remuneration	1	6	-	-	14	4	24.7	20,304	822
Closure Matters	-	1	-	-	12	-	12.4	11,419	921
Subtotal	44.1	18.7	-	-	38.4	13.7	114.9	114,551	997
Realising the Assets									
Sale of Business	1	5	-	-	2	-	7.3	7,607	1,042
Property (Management)	-	-	-	-	1	-	0.8	709	886
Property (Disposal)	-	-	-	-	-	5	5.0	1,650	330
Other Assets	17	3	-	-	1	-	21.5	26,644	1,239
Insurance & Bonding	-	1	-	-	0	1	2.2	1,481	673
Subtotal	17.6	8.6	-	-	4.5	6.1	36.8	38,090	1,035
Dealing with Creditors									
Secured Creditors	0	2	-	-	3	-	5.0	4,837	967
Preferential Claims Agreement	-	-	-	-	4	-	4.3	3,440	800
Preferential Dividend	1	1	-	-	16	2	20.3	17,552	865
Unsecured Claims Agreement	-	3	-	-	1	-	3.4	3,577	1,052
Unsecured Dividends	1	-	-	-	1	2	3.8	2,803	738
Creditor Queries	2	6	-	-	5	55	67.8	31,698	468
Litigation (Inbound)	4	18	-	-	-	-	21.5	24,411	1,135
Shareholders	-	-	-	-	1	10	10.5	3,741	356
Subtotal	7.6	30.3	-	-	30.2	68.5	136.6	92,057	674
Managing the Company's Affairs									
Tax	10	3	16	22	5	4	59.0	53,513	907
VAT	-	1	-	-	4	6	10.7	6,013	562
Employees	-	3	-	-	4	-	7.5	7,065	942
Pensions	-	-	-	-	1	-	0.9	743	825
Books & Records	-	-	-	-	0	-	0.3	240	800
Bank Account Management	-	1	-	-	7	13	20.9	11,441	547
Receipts, Payments & Journals	-	5	-	-	7	16	28.1	16,651	593
FCA and Other Regulatory	-	-	-	-	-	0	0.1	37	365
Subtotal	10.2	13.6	15.7	21.8	26.9	39.3	127.5	95,702	751
Fulfilling Statutory Duties									
Initial Letters & Notices	-	3	-	-	1	24	27.6	11,794	427
Statement of Affairs	-	2	-	-	1	-	2.7	2,738	1,014
Proposals	-	4	-	-	0	-	4.1	4,419	1,078
Progress Reports	-	14	-	-	49	52	114.9	74,245	646
Extensions	-	4	-	-	7	2	13.4	10,929	816
CDDA & SIP2 Assessment	-	3	-	-	21	4	27.5	21,578	785
Other Statutory Matters	-	3	-	-	1	13	17.9	9,291	519
Subtotal	-	32.8	-	-	79.9	95.4	208.1	134,992	649
Total Time by Grade	79.5	104.0	15.7	21.8	179.9	223.0			
Total Costs to Date								475,391	
Amount Billed								(260,000)	
Costs to Date Outstanding								215,391	

Appendix D: Joint Administrators' Remuneration and Expenses

In broad terms our work included realising the Companies' assets, managing the Companies' affairs and fulfilling our statutory obligations as joint administrators.

Category	Description	Rationale/Benefit to Creditors
Controlling our Appointment	<ul style="list-style-type: none"> ■ Strategy and planning: devised and maintained appropriate strategies for achieving the purpose of the Administration, engagement team meetings and documenting key decisions. ■ Case reviews: undertook periodic reviews of the Administration, typically every six-months. ■ Financial management: prepared and maintained cost budgets, estimated outcome statements etc., as appropriate for the case. ■ Closure matters: planned and prepared for ending the Administration and ultimate dissolution of the Companies. 	<ul style="list-style-type: none"> ■ Statutory / compliance requirements and to ensure efficient project management. ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable, in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Managing the Companies' Affairs	<ul style="list-style-type: none"> ■ VAT: assessed the VAT position and liaised with the Group and our FTI Tax specialists in respect of the outstanding returns. As part of our closure processes, we have assigned the final VAT refund amount claimed to Plate Newco 2 Limited. ■ CT: prepared and submitted the necessary and periodic tax returns falling due during the Administration. ■ Bank account management: maintained bank accounts (under our control) for the purpose of depositing sale proceeds and other receipts, paying expenses and making distributions to creditors. Accounts were reconciled on a monthly basis and closed when no longer required. ■ Receipts, payments and accounting journals: maintained adequate accounting records for the period of the Administration, including the payment of costs and expenses. 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Company pays the correct amount of tax, to avoid adversely impacting any amounts available for creditors. ■ Opening bank accounts for the Administration avoids the costs and logistics of taking control of the Company's existing accounts (which are usually closed shortly after appointment). Regular reconciliations of the new accounts assist in maintaining accurate records for the Administration.

Appendix D: Joint Administrators' Remuneration and Expenses

In broad terms our work included realising the Companies' assets, managing the Companies' affairs and fulfilling our statutory obligations as joint administrators.

Category	Description	Rationale/Benefit to Creditors
Dealing with Stakeholders and Creditors	<ul style="list-style-type: none"> ■ Creditor queries: for all classes of creditors, shareholders and other third parties, responded to inbound queries received to the extent possible and necessary. ■ Where required, maintained our systems to record and maintain creditor details, claims received, the determination thereon and the payment of dividends. ■ Secured creditors: liaised with / reported periodically to the Secured Creditors (as required). ■ Preferential dividends (ACL): prepared calculations and issuing statutory notices in advance of declaring dividends, followed by the payment of dividends and resolution of subsequent queries. ■ Unsecured claims agreement (Plc): reviewed and adjudicated on claims, including liaising with the creditors regarding the provision of supporting information and responding to queries. ■ Unsecured dividends: prepared calculations and issued statutory notices in advance of declaring dividends; followed by the payment of dividends and resolution of subsequent queries. 	<ul style="list-style-type: none"> ■ Where available, distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Company and therefore is a tangible financial benefit from the insolvency proceedings. ■ During the course of claims agreement, we perform a proportionate level work with an appropriate degree of scrutiny taking into account the quantum of the dividend available, to avoid incurring unnecessary costs and to avoid adversely impacting the recovery for creditors. ■ The objective of our adjudication work is to ensure that only genuine and accurate claims are admitted for dividend purposes and where necessary we apply our expertise and commercial judgement to mitigate liabilities where possible, for the benefit of the wider body of creditors. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website.
Realising the Assets	<ul style="list-style-type: none"> ■ Business rates: continued to assess the business rates refund position alongside our appointed agents. ■ Surplus received: sought legal advice in respect of the treatment of assets realisations and distributing the funds accordingly. ■ Property management: sought a surrender of the HQ office lease and ongoing communication with the landlord with regard to the Administration of Plc. 	<ul style="list-style-type: none"> ■ Identify, assess and seek to realise value for creditors. ■ Minimise cost to creditors through early exit of property commitments.

Appendix D: Joint Administrators' Remuneration and Expenses

Further details of our work in the Administrations and any financial benefit for creditors is set out in the table below.

Category	Description	Rationale/Benefit to Creditors
Fulfilling our Statutory Duties	<ul style="list-style-type: none"> ■ Reported to the Lenders on the progress of the Administrations and reviewed the Administration strategy. ■ Progress reports: prepared and issued six-monthly (and final) progress reports to creditors, including receipts and payments accounts. During the Period, we prepared and issued our third progress report to creditors. ■ Filed statutory case documentation at Companies House. ■ Issued statutory notifications to creditors and others required as officeholder. ■ Dealt with all routine correspondence and emails relating to the case. 	<ul style="list-style-type: none"> ■ Required by statute and to inform creditors on the progress of the Administrations. ■ Many requirements are for the purpose of keeping creditors informed about the Administrations and to protect their interests generally. ■ Statutory requirement and to assess whether there are potential claims against third parties for the benefit of creditors. ■ Statutory / compliance requirements and to ensure efficient project management.

Appendix D: Joint Administrators' Remuneration and Expenses

Costs are necessarily incurred by the Companies and us as Joint Administrators during the course of the Administrations. Certain categories of these costs must be approved (as with remuneration) prior to payment.

Definition of expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.
- We do not anticipate incurring any Category 2 expenses (including payments to associates) and therefore we have not sought approval to the basis upon which these may be charged to the estate. If this changes, we will write to the body of creditors who approve our fees at the appropriate time to seek the necessary approval.

Professional Advisors and Subcontractors

- The table on the next page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have done (subject to the exceptions detailed below), but that we have outsourced.
- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) is set out later in this Appendix. The amounts paid are shown in the Receipts and Payments account at Appendix C.
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax team have been included within the basis of our remuneration. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the Administration workstreams has been possible.

Appendix D: Joint Administrators' Remuneration and Expenses

The table shows the professional advisors and subcontractors engaged on the Administration.

Payee / firm	Service provided	Reason selected	Basis of fees/costs
Simpson Thacher & Bartlett LLP	<ul style="list-style-type: none"> Legal advice on the appointment, post-sale obligations, the extension process and the determination hearing 	Prior knowledge of the Company and experience in insolvency matters	Time costs and expenses
EPE Reynell Advertising Limited	<ul style="list-style-type: none"> Advertising appointment, Proposals to members and any future dividend to creditors 	Experienced provider to insolvency practitioners and specialists in dealing with legal advertising	Agreed tariff for Gazette notices
Aon	<ul style="list-style-type: none"> Insurance risk services 	Experienced provider to insolvency practitioners and specialists in dealing with insurance in insolvencies	Insurance premiums
CAPA	<ul style="list-style-type: none"> Property audits and recovery of business rates refunds 	Experienced provider to insolvency practitioners and specialists in dealing with recovery of business rates	25% commission on rates refunds received
GLAS	<ul style="list-style-type: none"> Professional services, including legal fees, in respect of facilitating the consent from the Secured Creditors in respect of the extensions to the Administrations and our discharge from liability. 	Security trustee to the Secured Creditors	Time costs
Cheeswrights LLP	<ul style="list-style-type: none"> Scrivener notary 	Specialists in work of this nature	Time costs

Appendix D: Joint Administrators' Remuneration and Expenses

We have incurred only a small number of disbursements during the Administrations. We have shown our firm's policy for the recovery of disbursements and the amounts incurred in the period.

Disbursements

- The table opposite shows what disbursements have been incurred in the Period for each of the Companies, together with the cumulative position for the Administrations.
- These amounts had previously been reported in GBP but are shown in USD as our time and expenses are reported in USD internally.
- We have not incurred any disbursements in the Period.
- All disbursements shown in the table opposite have been billed in full in the Period and these payments are shown in our Receipts and Payments Account at Appendix C.
- We exceeded the original estimate provided for bonding costs in our Proposals (USD \$500). We have a fixed fee arrangement with Aon for bonding, and we can confirm the cost of bonding to be £450 in total (£75 per appointee for each of Plc and ACL), which would equate to USD \$590 at the prevailing exchange rate of 1.311:1 GBP:USD.
- No estimates were provided in our Proposals for the remaining disbursements, which were incurred as and when necessary.
- One of the bonding invoices in the sum of £75 for ACL was not in fact charged as a disbursement and was paid as an expense of the Administration, and is consequently shown in the Receipts and Payments account at Appendix C. It has also been included here for clarity in terms of total bonding costs but will not be recharged to the estate of ACL, as it has already been paid.
- Please note that all amounts are exclusive of VAT unless otherwise stated.

Category	Entity	Incurred Previously (\$)	Incurred in the Period (\$)	Total Incurred (\$)
ACL				
1	All disbursements reimbursed at cost:			
	<i>Specific bonding</i>	276	-	276
		276	-	276
Plc				
1	All disbursements reimbursed at cost:			
	<i>Specific bonding</i>	276	-	276
	<i>Courier</i>	4		4
	<i>Meal/Subsistence</i>	16	-	16
		296	-	296

Appendix D: Joint Administrators' Remuneration and Expenses (ACL)

While there have been some additional expenses incurred, total expenses for the Administrations are within the combined estimated amount in the Proposals.

Payee	Type of Costs	¹ Expenses Estimate (£)	Incurred Previously (£)	Incurred in this Period (£)	Total Incurred (£)
EPE Reynell Advertising Limited	Statutory advertising	153	190	-	190
Aon	Insurance	-	179	-	179
Simpson Thatcher & Bartlett LLP	Legal fees	406,143	325,591	-	325,591
CAPA	Business rate refunds	-	6,736	-	6,736
GLAS	Legal fees, including security agent fee	-	9,909	-	9,909
Total		406,296	342,606	-	342,606

1. The expenses estimate was provided to creditors on 13 April 2022 prior to the initial determination of the basis of our remuneration in USD. The original estimate was comprised of the total estimated for both ACL and Plc together but has been split here for the purposes of presenting the expenses for the two entities separately. The legal fees estimate has been split 90:10 for ACL and Plc respectively, owing to this being the real split of time incurred, resulting from additional workstreams relating to the determination hearing in ACL. The estimate for statutory advertising has been split on a 50:50 basis.

Appendix D: Joint Administrators' Remuneration and Expenses (Plc)

While there have been some additional expenses incurred, total expenses for the Administrations are within the combined estimated amount in the Proposals.

Payee	Type of Costs	¹ Expenses Estimate (£)	Incurred Previously (£)	Incurred in this Period (£)	Total Incurred (£)
EPE Reynell Advertising Limited	Statutory advertising	153	190	99	289
Aon	Insurance	-	179	-	179
Simpson Thatcher & Bartlett LLP	Legal fees	45,908	36,803	-	36,803
GLAS	Legal fees, including security agent fee	-	9,909	19,068	28,977
Cheeswrights LLP	Scrivener notary	-	965	-	965
Total		46,061	48,046	19,167	67,213

1. The expenses estimate was provided to creditors on 13 April 2022 prior to the initial determination of the basis of our remuneration in USD. The original estimate was comprised of the total estimated for both ACL and Plc together but has been split here for the purposes of presenting the expenses for the two entities separately. The legal fees estimate has been split 90:10 for ACL and Plc respectively, owing to this being the real split of time incurred, resulting from additional workstreams relating to the determination hearing in ACL. The estimate for statutory advertising has been split on a 50:50 basis.
2. In relation to Plc, the expenses have exceeded the estimate. However, this is mainly due to the way the estimate has been split between the entities.

Appendix D: Joint Administrators' Remuneration and Expenses

Expenses incurred in the Period relate to security agent fees, legal fees and costs incurred in relation to advertising of the Prescribed Part dividend in Plc.

- The tables on the preceding pages show expenses incurred in the Period for each of the Companies, the cumulative position for each Administration and a comparison against our original estimate.
- Please note that all amounts are exclusive of VAT unless otherwise stated.
- The original estimates for statutory advertising and legal fees were shown as \$400 and \$593,000 respectively in our Proposals. These have been converted to GBP using the prevailing exchange rate on the date of our appointment.
- As shown, the total expenses we have incurred in this matter are within the total amount estimated when remuneration was approved.
- However, we have exceeded the estimate in respect of the following expenses:
 - EPE Reynell Advertising Limited: the costs of advertising the Proposals to members for the Companies were not taken into account.
 - Aon: the cost of open insurance cover was not included in our original estimate of expenses.
 - CAPA: as this was a commission-based fee, we would not have been able to provide an estimate for this cost in our Proposals.
 - GLAS: these costs relates to GLAS overseeing the Secured Creditor consent process for the extensions of the Administrations and our discharge from liability, and legal advice obtained accordingly. An estimated cost for this was not included in our Proposals as it had been anticipated that the Administrations would conclude within 12 months and the complex consent process for our discharge from liability had not been taken into account. However, the costs incurred in relation to the consent process for the extension to the Administrations are considerably less than had we made an application to court. We also incurred costs (USD \$240) in relation to obtaining Security Position Reports from the DTC to assist in the claims agreement process for Plc.
 - Cheeswrights: this cost relates to a requirement for a notary in respect of the registration of the Group's logo in Iraq. The process of registration had been commenced by Plc prior to the Administrations, but it had since been challenged by the Iraqi intellectual property registration body. The Joint Administrators were therefore required to sign a Power of Attorney on behalf of Plc in order for an appeal to go ahead. The document was also required to be notarised and legalised. An estimated cost for this was not included in our Proposals as it had not been anticipated.
- The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined.
- For details of the amounts paid for these expenses in the Period and in the Administrations to date, please see Appendix C for the Receipts and Payments accounts.



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