

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number 07336400

Company name in full Account Technologies Software Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Clare

Surname Kennedy

3 Administrator's address

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode EC4A 3BF

Country

4 Administrator's name ①

Full forename(s) Joseph

Surname O'Connor

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode EC4A 3BF

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X

Ceskenedy

X

Signature date

^d0

^d3

^m0

^m3

^y2

^y0

^y2

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AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name

Melissa Fielding

Company name

AlixPartners UK LLP

Address

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98 King Street

8th Floor

Post town

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County/Region

Postcode

M 2 4 W U

Country

DX

Telephone

0161 838 4500



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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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. Attach this to the relevant form. ❶
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) Simon
Surname Appell

3 Insolvency practitioner's address

Building name/number 6
Street New Street Square
Post town London
County/Region
Postcode E C 4 A 3 B F
Country

Administrators' Statement of Proposals

Indigo Michael Limited and
Account Technologies Software
Limited - both in Administration

3 March 2023

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1. Why this report has been prepared

- 1.1 Joseph O'Connor, Clare Kennedy and Simon Appell (the **Administrators**) were appointed Administrators of Indigo Michael Limited (**IML**) and Account Technologies Software Limited (**ATSL**) (collectively known as the **Companies**) on 9 January 2023.
- 1.2 In accordance with UK insolvency legislation, administrators are required to make a statement setting out their proposals for achieving the statutory purpose of an administration. This report and all appendices form the Administrators' proposals (the **Proposals**) and cover the period 9 January 2023 to 24 February 2023 (the **Period**).
- 1.3 The purpose of this report is to provide statutory and financial information about the Companies, the background to the Administrations, the Administrators' proposed strategy, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.4 The administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing the company as a going concern;
- Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5 The Administrators are pursuing the third statutory objective in respect of both Administrations. Further details of how they intend to achieve that objective can be found in section 4 of this report.
- 1.6 The Companies' creditors are responsible for approving the Proposals and Administrators' fees. In accordance with the expected outcome to creditors, it is proposed that the basis of the Administrators' fees and category 2 expenses will be approved by the secured and preferential creditors in both cases as set out in the relevant insolvency legislation. Further details of the Administrators' fees and expenses can be found at Appendices E to H.
- 1.7 The Administrators intend to seek approval of the Proposals via deemed approval processes. Further details can be found in section 8 of this report.
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on our creditor portal which can be accessed online at www.ips-docs.com.
- 1.9 Creditors have been provided with log-in details to access the portal, however if you require a copy of this information, a hard copy of this report or have any queries in relation to its contents, or the Administrations generally, please contact Melissa Fielding on 0161 838 4500 or by email at IML@alixpartners.com.

2. Summary of information for creditors

Estimated dividend for creditors

IML

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditors:		
Atalaya	60,807,381 (Note 1)	c29,100,000
ATHL	60,807,381 (Note 1)	Nil
Preferential creditors:		
Employee claims	34,696	100 pence in the pound
HMRC	127,397	100 pence in the pound
Unsecured creditors	18,335,519	Uncertain

ATSL

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditors:		
Atalaya	60,807,381 (Note 1)	c29,100,000
ATHL	60,807,381 (Note 1)	Nil
Preferential creditors:		
Employee claims	16,544	100 pence in the pound
HMRC	92,289	100 pence in the pound
Unsecured creditors	5,675,335	Uncertain

Notes:

Note 1: The secured debt of £60.8m detailed in the table above relates to the same indebtedness, for which Atalaya are the first ranking chargeholder.

Secured creditors

- 2.1 The Companies granted an all monies debenture to Midtown Madison Management LLC (**Midtown**), as collateral agent for Atalaya Capital Management LP (**Atalaya**), dated 15 June 2021 which secured £75 million senior secured floating rate notes, a proportion of which had been paid down prior to the appointment (the **Midtown Debenture**). The Midtown Debenture has been granted by various entities in the group including IML and ATSL.
- 2.2 The Companies also granted an all monies debenture to the Companies' sole shareholder, Account Technologies Holdings Limited (**ATHL**), dated 30 April 2021 which secures a revolving intra-group loan facility with a total commitment of up to £100 million (the **ATHL Debenture**). The ATHL Debenture has also been granted by various entities in the group including IML and ATSL.

- 2.3 The Midtown Debenture secures all sums owed by the Companies to Atalaya and the ATHL Debenture secures all sums owed by the Companies to ATHL.
- 2.4 The ATHL Debenture is subordinated to the Midtown Debenture. As such, secured distributions in both Administrations will be made under the Midtown Debenture in priority.
- 2.5 There is expected to be a shortfall under the Midtown Debenture and therefore there will be no distributions under the ATHL Debenture.

Preferential creditors

- 2.6 The estimated preferential debts include amounts due in respect of employee liabilities as at the date of the Administrations. These consist of unpaid wages, holiday pay and pension contributions payable to the employees who were not retained following the Administrators' appointments.
- 2.7 Based on the director's Statements of Affairs (**SoAs**), there are also secondary preferential liabilities due to HM Revenue & Customs (**HMRC**) in respect of unpaid VAT and PAYE contributions.
- 2.8 Based on current information, both IML and ATSL's preferential creditors are expected to be repaid in full.

Unsecured creditors

- 2.9 As at the date of appointment, IML's unsecured creditors were owed approximately £18.3 million and ATSL's unsecured creditors were owed approximately £5.7 million.
- 2.10 Section 7 of this report sets out the amounts which could be available to unsecured creditors based on present information, which may be subject to change.
- 2.11 Please also note that funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making distributions.
- 2.12 In respect of preferential or unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

3. Background and circumstances leading to the Administrations

- 3.1 IML is a UK-based operator whose principal activity is the provision of consumer credit services under the consumer-facing brand names Tappily and SafetyNet. ATSL's principal activity is the provision of software services to IML.
- 3.2 Both Tappily and SafetyNet products offer customers a flexible credit facility whereby money can be borrowed up to a certain limit, and once repaid, the funds are available to borrow again.
- 3.3 IML is regulated by the Financial Conduct Authority (**FCA**) to carry on the business of entering into regulated credit agreements as lender and credit broking. IML is also authorised by the FCA as an authorised payment institution to carry out payment initiation services and account information services.
- 3.4 Prior to the appointments, IML was operating in a challenging trading environment, which became progressively more difficult due to factors that reduced lending volumes, as well as changes within the regulatory environment in which it operates, for both the wider high cost short term credit sector and specifically in relation to IML.
- 3.5 In parallel, an increase in claims management company (**CMC**) activity had led to higher than usual levels of consumer redress claims, and in some cases associated Financial Ombudsman Service (the **FOS**) complaints processes and fees, with the potential for these to increase further. All of these factors had a significant impact on liquidity levels, confidence about IML's future business prospects and the ability to trade in the medium term.
- 3.6 As a result, the financial performance of IML had deteriorated and it had been trading considerably below forecast which in turn may have led to the business being unable to meet its required regulatory capital obligations in the medium term.
- 3.7 IML's director therefore considered the options available to address any further increase in CMC activity and the impact of any ongoing industry challenges. Accordingly, AlixPartners UK LLP (**AlixPartners**) was engaged on 26 August 2022 to assist with an assessment of potential restructuring options available.
- 3.8 Following this review, it was concluded that in the event that the Companies were no longer able to meet their liabilities as they fell due, the most appropriate course of action to preserve value for the Companies' creditors was to wind down IML via an Administration, where the main objective would be to maximise loan book collections. In conjunction with continuing to explore options with regards to the future viability of the Companies, AlixPartners was further engaged on 28 November 2022 to commence planning for an Administration appointment of IML.

- 3.9 As part of the review, AlixPartners also assessed the viability of ATSL. The core software package used in the IML business was owned by ATSL and a monthly licence fee was paid by IML for its use. As IML is its sole customer and ATSL receives no income aside from the licence fee from IML, any decision to wind down the operations of IML would directly impact ATSL's ability to continue trading, with ATSL's future viability intrinsically linked to the future of IML.
- 3.10 Whilst planning was progressed, discussions took place with the key stakeholders including Atalaya and the FCA, whose consent was required to the appointment of the proposed Administrators of IML.
- 3.11 Around the same time, it became apparent that no further funding would be available to the Companies. As a result, on 23 December 2022 the director of IML filed a Notice of Intention (**NOI**) to appoint Administrators of IML and on 4 January 2023 the director of ATSL filed a NOI to appoint Administrators of ATSL.
- 3.12 Subsequently on 9 January 2023, Joseph O'Connor, Clare Kennedy and Simon Appell of AlixPartners were appointed as Administrators of the Companies.
- 3.13 Further detail on the strategy of the Administrations is contained in section 5.

4. The objective of the Administrations

First objective

- 4.1 The first objective under the administration regime is based on the survival of a company as a going concern.
- 4.2 Due to the ongoing issues faced by IML pre-appointment and following their assessment of the business and its financial position, the Administrators considered that the first objective could not be achieved.
- 4.3 Similarly, ATSL's principal asset is the software package which is used by IML. IML is ATSL's sole customer and ATSL receives no income aside from the licence fee paid by IML for the use of the software. Therefore, the proposed wind down of IML means that the continuation of ATSL as a going concern is no longer considered viable.

Second objective

- 4.4 Whilst the Administrators are confident that asset realisations in both entities will be enhanced in Administration as compared to a liquidation scenario, this does not lead to a better result for the Companies' creditors *as a whole* and the only creditor who will materially benefit is likely to be Atalaya as first ranking secured creditor.
- 4.5 The Administrators are therefore unable pursue the second objective of achieving 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).

Third objective

- 4.6 The Administrators will therefore pursue the third objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.7 The Companies were placed into Administration rather than Liquidation to ensure the business was stabilised in a timely manner, to maximise debtor recoveries and to avoid creditors taking action against the Companies via protection of the moratorium. This would thereby enable the wind-down strategy to be implemented successfully.
- 4.8 Full details of the proposed exit routes to the Administrations are noted in Appendix I.

5. The Administration strategy and steps taken to date

- 5.1 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies.
- 5.2 The Administrators have set out below the steps they intend to take to fulfil their objective and duties.
- 5.3 The detail provided is intended to provide users of this report with information to allow them to understand how the fee estimate and estimate of expenses provided at Appendices E and F was compiled, the financial benefit to creditors of the work being done, and the sensitivities that might be applicable to the Administrators' anticipated fees and expenses.

Ongoing trading

IML

- 5.4 Upon the Administrators' appointment, IML had approximately 142,000 customer accounts with outstanding balances due.
- 5.5 In order to facilitate an orderly wind down of lending operations and consider the impact on all stakeholders, it was agreed that lending facilities would continue to be made available to certain customers for a period of up to five months from appointment. During this time customer limits would gradually be reduced on a phased basis.
- 5.6 The decision to continue lending was taken to provide customers with a managed ramp down of their credit limits, thereby avoiding a situation where customers faced an immediate withdrawal of access to funding and to preserve value in the loan book as far as possible.
- 5.7 Continued lending in the Administration is also expected to support the collection of outstanding pre-appointment lending balances through the maintenance of existing customer relationships and availability of repayment methods. Immediate cessation of trade is likely to have had a detrimental impact on the realisable value of the lending book.
- 5.8 Only customers who were not in arrears at the date of the appointment and had borrowed in the 30 days prior to appointment (i.e. active and performing customers) were eligible to continue borrowing during the Administration. This applied to approximately 41,000 accounts.
- 5.9 All other customers were unable to obtain further credit however, could continue to pay down monies owed via the ordinary channels of payment in line with their loan agreements.
- 5.10 Before entering Administration, IML reduced the credit limits of customers to the maximum of their balance in the previous 30 days. Following appointment of the Administrators, customers still eligible to borrow were initially given access to funds up to their existing credit limits however, as noted above, will see a phasing down of credit limits over the proposed five-month trading period.

- 5.11 This lending strategy is subject to ongoing review by the Administrators and is dependent on continued support and approval from the secured creditors as it involves utilising realisations in the estate to facilitate continued lending.
- 5.12 As at 24 February 2023, the Administrators have provided new lending of £18.6 million to approximately 40,000 customers and secured repayments of £5.4 million in respect of these facilities. Of this, £2.3 million relates to interest on account.
- 5.13 Lending performance and collection of the pre and post appointment debtor books are being closely monitored on a daily basis, by utilising the operational infrastructure of IML and ATSL. This includes monitoring the IT systems needed to support the lending platform and the customer support functions in place to facilitate the relationships with customers (including operation of the call centre, customer chat bots and complaints processes).
- 5.14 The Administrators have overlaid enhanced procedures and monitoring from specialist AlixPartners colleagues onto the internal reporting procedures already in place to ensure that there is a constant assessment of trading performance and management of risk to ensure that key strategic decisions can be reviewed and taken in a timely manner.
- 5.15 It is anticipated that the wind down of the lending business will be managed through to the ultimate collection and/or disposal of outstanding loan book balances (whichever represents best value), following the cessation of lending.

ATSL

- 5.16 As noted above, ATSL's key asset is software that is licensed to IML in return for a monthly licence fee.
- 5.17 ATSL is also continuing to trade to support the ongoing trading operations of IML, as the software licensed by IML from ATSL underpins the lending platform of the business.
- 5.18 The Administrators of ATSL have continued to collect the licence fee from IML for the ongoing use of the software during the trading period.
- 5.19 Agents have been instructed to determine the value of this software in order to assess the viability of a sale of this asset to a third party on completion of the wind down process.
- 5.20 As ATSL primarily provides software services to IML, the Administrators have been working with the ATSL team to ensure continuity of the systems required to support the IT infrastructure of ATSL in order to keep the lending platform operational.

5.21 Since the Administrators' appointment, time is being spent dealing with the following matters, predominantly in relation to IML unless indicated otherwise:

- Negotiating with key suppliers of both IML and ATSL to maintain business operations and ensure operations remain stable to allow customers to continue borrowing.
- Monitoring customer behaviour and assessing lending against forecast to understand whether further action needs to be taken to improve lending performance.
- Providing daily updates to Atalaya on the progress of the Administration, particularly the state of lending and assessing call centre performance and activity.
- Monitoring cash positions for both IML and ATSL and ensuring sufficient funding is in place for ongoing trading.
- Developing processes and controls with IML staff that ensure the Administrators have oversight of all cash going in and out of the business.
- Monitoring ongoing customer lending and repayments, including compliance with relevant financial service regulations.

Employees

5.22 On appointment, 188 staff were employed by IML and 36 were employed by ATSL. As part of the Administrators' planning work prior to appointment, an assessment of the key employees and roles required to support the operational and regulatory needs of the business was undertaken.

5.23 Immediately following the Administrators' appointment, a reduction in headcount was required and accordingly, 48 employees were made redundant under IML and 20 under ATSL. An additional six employees have been made redundant as the Administrators continue to implement the wind down strategy. A further 41 employees have also resigned since appointment.

5.24 The Administrators have appointed Evolve IS Limited (**Evolve**), a firm of employee specialists, to assist the affected employees in submitting the necessary claims to the Redundancy Payments Service (**RPS**) for monies owed to them in respect of wages, holiday pay, pay in lieu of notice and redundancy pay.

5.25 Key tasks being performed in relation to redundant employees are as follows:

- Arranging and holding redundancy calls, preparing scripts, letters and a 'Frequently Asked Questions' document.
- Working alongside Evolve to deal with queries from redundant employees, including review and submission of RP14 form to the RPS.
- Liaising with the Companies' payroll agents, Mazars LLP (**Mazars**), to adjust the pre-appointment pension submissions and assisting Evolve with the RP15 submission.

- Preparing communications for post-appointment redundancies, including reference letters and responding to queries received.
 - Ongoing liaison with the Insolvency Service and Department for Work and Pensions regarding redundant employees.
- 5.26 The remaining employees of the Companies have been retained to enable the business to continue trading and ensure that operational and regulatory requirements are met.
- 5.27 The Administrators are holding regular meetings with the retained employees to keep them apprised of developments, the Administration strategy and what it means for them.
- 5.28 The principal work undertaken in respect of retained employees is ongoing and consists of:
- Working alongside the Companies' HR team to deal with employee-related queries and communicate responses which has included holding monthly Town Hall meetings.
 - Bi-weekly calls with the senior management team to discuss ongoing trading and obtaining updates from all departments of the business.
 - Drafting employee communications to retained employees including day one letters and issuing follow-up communications.
 - Reviewing and managing monthly payroll with HR and Mazars.
 - Liaising with various employee-related third-parties including Mazars and securing ongoing employee benefits including pension, healthcare and group life insurance.
 - Dealing with employee resignations and liaising with senior management to ensure proper handover of roles and responsibilities.

Debtor collections

- 5.29 IML's gross loan book due from customers totalled £69 million on appointment, the recovery of which is expected to be supported by continued lending in the Administration.
- 5.30 To 24 February 2023, repayments of £15.9 million have been made by customers against the pre-administration principal balances.
- 5.31 The Administrators are monitoring on a daily basis the amounts being drawn by customers in respect of their lending facilities as well as tracking repayments to ensure they are reconciled correctly against either the pre or post-appointment loan books.

5.32 Since the Administrators' appointment, time is being spent in dealing with the following matters:

- Measuring the performance of the pre-administration loan book against daily forecasts.
- Working with IML staff to gather various data points for the purpose of monitoring collections' performance as well as reporting to various stakeholders.
- Liaising with debt collection agencies to monitor performance of overdue debts and escalate where necessary and requesting a sweep of any recoveries made.
- Detailed oversight of lending and repayments processes to ensure compliance with the necessary anti-money laundering regulations.
- Ensuring monies received in relation to pre-administration debtor balances are swept into post-administration bank accounts, which includes working with the relevant merchant service provider to automate this process.

Customer claims

5.33 Prior to the Administration, IML had received a number of complaints from customers relating to lack of affordability claims, both directly and mostly via CMCs.

5.34 IML would assess these claims, and if the complaints were upheld (i.e. accepted), redress would be awarded in respect of the interest previously paid by the customer on their debts.

5.35 Prior to the Administration, the redress amount would subsequently be offset against the balance remaining on the account, or refunded by way of a cash payment where it exceeded the amount outstanding (or there was no balance left for the relevant customer to pay).

5.36 At the date of the Administrators' appointment, there was a backlog of approximately 5,600 complaints which had not yet been processed. These will continue to be assessed on their merits in accordance with IML's existing policies and procedures and efforts are ongoing to clear this backlog.

5.37 There are an estimated 7,000 customers who may have claims against IML in respect of complaints submitted prior to the Administrators' appointment, split by category as follows:

Category	Number	Potential value £
Complaints accepted but not paid	778	783,596
Complaints assessed but not accepted	606	713,308
Complaints not yet assessed	5,604	3,752,402
Total	6,988	5,249,306

- 5.38 Further complaints in respect of lending provided prior to the Administrators' appointment continue to be received which are not included here, and therefore the total volume of claims could be higher than that shown above.
- 5.39 Since the Administrators' appointment, 2,000 complaints have been assessed by IML staff and final responses are in the process of being issued to customers.
- 5.40 As a result of the Administration, IML is no longer able to make cash payments in respect of upheld claims and therefore any redress awarded will now rank as an unsecured creditor claim against IML.
- 5.41 The Administrators are in the process of contacting the customers affected to advise them of the outcome in respect of their complaint and set out the options available to them. Due to the volume of outstanding complaints, it may take a few months for this process to be completed.
- 5.42 Where IML did not review claims within eight weeks of receipt, or did not fully uphold the complaint, customers previously had the option to refer their claims to the FOS.
- 5.43 In line with usual practice, the FOS has confirmed that it will stop considering any complaints against IML as a result of the Administration.
- 5.44 Where claims have already been assessed by IML and a final response issued prior to being referred to the FOS, the previous assessment remains in place and these complaints will not be reviewed any further.
- 5.45 For all other complaints, these will also now be assessed via IML's existing process and customers will be contacted to advise them of the outcome in due course.
- 5.46 The Administrators will be communicating further with customers, including through IML's website, when it is anticipated that IML's existing complaints process will be closed and any further complaints will not be processed after that date.
- 5.47 We expect that customer claims will generally rank as unsecured creditors, which means that they will not receive any cash payments, and will rank equally with all other unsecured creditors of IML. As a result of the Administration, a moratorium is now in place which prevents creditors from taking legal action against the Companies. For further information in respect of return to these creditors, please see section 7 of this report.
- 5.48 The work performed to date for customer claims, which remains ongoing, is as follows:
- Following appointment, IML's websites www.tappily.co.uk and www.safetynet.credit were updated with 'Frequently Asked Questions' for customers, which are subject to ongoing review. Any out-of-date information has been removed from the websites to ensure customers have access to accurate, relevant information.

- A dedicated inbox IML@alixpartners.com (the **Inbox**) was created for customers and other stakeholders to which enquiries can be directed. To date, emails have been received from in excess of 300 customers, plus CMCs acting on their behalf.
- The Administrators have considered the impact of the Administration upon existing complaints, as well as the ability of customers to submit new claims. The status of those claims has also been considered and legal advice sought to ensure that all customers are being treated consistently and correctly.
- Communications were drafted to customers providing them with information in relation to the Administration process and setting out the position in relation to their claims based on their own personal circumstances.
- As complaints are assessed and customers are identified as having unsecured claims against IML, they are being provided with details of our online creditor portal and invited to submit claims, which are downloaded into our claims management system on an ongoing basis.

Realisation of assets – fixed charge

Properties

- 5.49 The Companies had two leasehold properties at Second Floor, Windsor Court, Kingsmead Business Park, London Road, High Wycombe, Buckinghamshire, HP11 1JU (**High Wycombe**) and Marble Arch House, 66-68 Seymour Street, London W1H 5BW (**Marble Arch**).
- 5.50 Prior to the Administrators' appointment, the Companies exited High Wycombe and the Administrators contacted the landlord immediately on appointment offering to surrender the lease.
- 5.51 As part of the wider strategy, the Administrators have remained in occupation of Marble Arch whilst they continue to trade the business. On the basis that the majority of the workforce works remotely, the Administrators will assess whether this site is required for the duration of the wind down period. The Administrators are in communication with the landlord to ensure there is no disturbance to the business.

Intellectual Property

- 5.52 ATSL has intellectual property assets in software and supporting code that underpins the lending operations of the business. The Administrators have instructed Hilco Global (**Hilco**) to carry out a valuation and marketing report for the intellectual property assets of ATSL. A further update on the value and disposal strategy for these assets will be provided in the Administrators' next report.

Realisation of assets – floating charge

Cash at bank

- 5.53 Immediately upon appointment, steps were taken to transfer the balances held in the Companies' pre-appointment bank accounts to accounts opened by the Administrators. Funds totalling £7.26 million were recovered in IML and £272,000 in ATSL.

Motor vehicle

- 5.54 IML owned one vehicle on appointment. As the vehicle is no longer required in the Administration, it will be sold.

Fixtures and fittings

- 5.55 On appointment, the Administrators instructed Hilco to prepare a valuation and marketing report in respect of the Companies' assets, including the fixtures and fittings consisting of office furniture and IT equipment. Valuations have been completed and the Administrators are implementing their realisation strategy.
- 5.56 The Administrators' insurance broker, Aon Risk Solutions (**Aon**), has also been instructed to ensure the Companies have adequate insurance coverage.
- 5.57 The Administrators and Hilco have also identified that certain office equipment was leased to the Companies by third parties. This equipment is not required and the Administrators are arranging collection with the relevant third parties.

Realisation of assets – debtors

- 5.58 As detailed above, the main asset of IML is the loan book and maximising realisation of this has driven the strategy of the IML Administration to date.
- 5.59 The Administrators consider the ongoing trading and collection of the loan book to be the best way to maximise recoveries for creditors. In the event this analysis changes, we may explore the possibility of selling all or parts of the debtor book or, more likely, outsourcing collection of the remaining book to a third party debt collection agent (as is IML's current strategy for long term debts that remain outstanding) if more economic than collecting remaining debtors directly.
- 5.60 ATSL's sole book debt consists of an intercompany receivable owed by IML for unpaid licence fee to use its IP software in the period prior to the Administrators' appointment. The recovery of this debt is uncertain given that it ranks as an unsecured claim in IML's Administration.

Administration (including statutory reporting)

- 5.61 In addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986 as well as relevant regulatory framework. These include notifying the stakeholders of the appointments and preparing bi-annual reports to creditors advising of the progress of the Administrations. The Administrators are also responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.
- 5.62 In order to ensure the matters of the Administrations are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 5.63 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to, for example, protracted realisation of assets, meaning additional periodic reports have had to be prepared and distributed to stakeholders.

Investigations

- 5.64 The Administrators will conduct investigations into the conduct of the director (and any shadow or de facto directors) and transactions entered into prior to the Companies' insolvencies, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based on the outcome of the investigations, further steps may need to be taken, details of which will be provided in the next report to creditors. The Administrators' duty is to conduct an initial review to determine whether there are matters which require further investigation, and if so, whether there is a realistic prospect of recovering assets for the insolvent estate for the benefit of creditors.
- 5.65 The Administrators also have a duty to consider the conduct of those who have been directors of the Companies at any time during the last three years, and to provide information to the Insolvency Service in respect of that conduct and the circumstances regarding the Companies' insolvencies. The Insolvency Service will use this information to assess whether there are matters that require action to be taken against any directors to prevent them from controlling other companies. The information provided to the Insolvency Service is confidential and is not available to creditors.

- 5.66 A questionnaire is available on our creditor portal for completion by creditors to assist the Administrators in their investigations. If there are matters that you consider the Administrators should be aware of, please attach details to the questionnaire and return it to AlixPartners' offices at Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU. Details may also be sent by email to IML@alixpartners.com.
- 5.67 This request forms part of the Administrators' statutory duties and does not imply any criticism of the director.

Creditors (claims and distribution)

- 5.68 The Administrators will provide reports to the secured creditor and deal with preferential and unsecured creditor correspondence, telephone calls and email queries. Where sufficient funds are available, they will also agree the claims of preferential and unsecured creditors, calculate the dividend and make a distribution.

6. Financial position and Administrators' receipts and payments

Financial position

- 6.1 The SoAs of the Companies, together with lists of creditors' names, addresses and details of their claims are attached at Appendix B. Please note that names and addresses of IML customers who have potential claims in respect of complaints have not been provided for data privacy reasons.
- 6.2 The Administrators have the following observations to make in relation to the SoAs of the Companies.
- As is normal, the SoAs are before provision for the costs of the Administrations.
 - The Companies have joint and several liability for the secured creditors' debts, and the amount is therefore stated in full in each company's SoA.
 - The tangible assets shown in the SoAs consist of computer and office equipment and leasehold improvements.
 - The SoAs show material balances in respect of deferred tax assets. The Administrators will assess the levels of tax paid by the Companies in the periods prior to the Administrations and establish whether there are any reliefs or recoveries available.
 - Both Companies' financial statements disclose book values for prepayments and other assets. These are estimated to have a nil realisable value, however, the Administrators will investigate the nature of these and seek to recover any amounts available.
 - The Companies' accounts show inter-company balances for both debtors and creditors. It is understood that the majority of the balances relate to amounts due between IML and ATSL, however, these accounts will need to be fully reconciled and set-off applied where appropriate.
 - Both Companies are parties to the leases to the trading premises. The liabilities under the leases are included in the SoAs, however, these have not been mitigated.

Administrators' Receipts and Payments Account

- 6.3 Summary Receipts and Payments accounts (**R&Ps**) for the Companies are attached at Appendix C as well as Trading Accounts at Appendix D (together the **R&P Accounts**).
- 6.4 At present, all salary costs have been allocated to the Trading Accounts. However, the majority of employees were retained to support the general wind down strategy and wider debtor collection process rather specifically in relation to ongoing lending. The Administrators will therefore reallocate a proportion of these, and certain other costs currently allocated as trading costs, once the appropriate analysis has been undertaken.
- 6.5 The R&P Accounts show transactions on a cash basis and not an accruals basis, and therefore do not reflect the full financial position for the Period. Based on current information, the trading period is anticipated to be profitable.

- 6.6 The majority of the Companies' supplies are exempt from VAT and therefore VAT incurred on costs cannot be recovered from HMRC. On this basis, transactions on the R&P Accounts are presented gross of any VAT paid.
- 6.7 The R&P Accounts also currently present the cash held in the Administrators' bank accounts only. The Administrators have continued to use IML's pre-appointment bank accounts to facilitate ongoing lending and to maximise customer repayments until the post-appointment accounts were set up.
- 6.8 As at 24 February 2023, the balance in IML's pre-appointment bank accounts was £876,371.
- 6.9 Funds have been advanced into IML's pre-appointment bank accounts as shown on the Trading Account to be made available to customers for lending. However, the Trading Account does not reflect the amounts drawn down by customers to date. As detailed at section 5.12, loans totalling £18.6 million have been provided to customers from the appointment to 24 February 2023.
- 6.10 Surplus funds are being swept from the pre-appointment account on a regular basis, whereupon they are reconciled between the pre and post-appointment debtor books and allocated to the R&P Accounts accordingly.
- 6.11 As the Administration bank accounts are now fully operational, the Administrators intend to complete a managed wind down of the pre-appointment accounts shortly.

7. Estimated outcome for creditors

Secured creditors

- 7.1 As detailed in section 2, the Companies have two secured creditors:
- Atalaya (Midtown acting as collateral agent); and
 - The Companies' parent company, ATHL.
- 7.2 Midtown (on behalf of Atalaya) holds the first ranking debenture and is owed £60,807,000 including ongoing accrued interest, as at 24 February 2023.
- 7.3 There is expected to be a shortfall under the Midtown Debenture and therefore no distributions are anticipated to be made under the ATHL Debenture, which is second ranking.

Preferential creditors

- 7.4 There are preferential claims in both IML and ATSL in respect of employees who were not retained following the Administrators' appointments and various claims from HMRC.
- 7.5 The estimated claims of IML's preferential creditors are £34,696 in respect of employee arrears of wages, accrued holiday pay and pension contributions. There is also an estimated amount of £127,397 due to HMRC in respect of unpaid VAT and PAYE deductions.
- 7.6 The estimated claims of ATSL's preferential creditors are £16,544 in respect of employee arrears of wages, accrued holiday pay and pension contributions. There is also an estimated amount of £92,289 due to HMRC in respect of unpaid VAT and PAYE deductions.
- 7.7 The RPS will have a subrogated claim for any amounts paid to employees in respect of their claims for arrears of wages and accrued holiday pay.
- 7.8 The preferential creditors are expected to be repaid in full by both Companies, once the relevant claims have been agreed.

Unsecured creditors

- 7.9 The Administrators do not believe that there will be funds available to repay the secured creditors in full and enable a dividend to be paid from surplus asset realisations to the unsecured creditors of the Companies.
- 7.10 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Companies' net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.

- 7.11 Based on present information, the Administrators estimate the value of the Companies' net floating charge property and the value of the Unsecured Creditors' Funds arising from this are as follows:

Company	Estimated Net Property £'000	Estimated Value of Unsecured Creditors' Fund £'000
IML	30,047	800
ATSL	99	23

- 7.12 The Administrators are in the process of considering whether the costs of making a prescribed part distribution in IML may outweigh the funds available for distribution to unsecured creditors, given the potential for a significant further volume of claims to arise in addition to those noted above. If so, the Administrators may consider applying to court for an Order releasing them from any requirement to distribute to unsecured creditors in IML. In the event this is not appropriate then the Unsecured Creditors' Fund will be distributed, net of applicable costs.
- 7.13 If either of the Companies' net property turns out to be less than the prescribed minimum of £10,000, and the Administrators think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, the Unsecured Creditors' Fund will not apply for that Company.
- 7.14 The likely level of return for unsecured creditors can be found within section 2 of this report.

8. What happens next

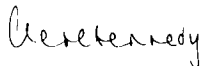
Approval of Proposals

- 8.1 The Administrators think that the Companies have insufficient property to enable distributions to be made to unsecured creditors other than potentially via the Unsecured Creditors' Funds. As a result, the Administrators are not required to seek decisions from the unsecured creditors as to whether they approve the Proposals.
- 8.2 Creditors whose debts amount to at least 10% of the total debts of the Companies may however request that approval of the Proposals is given via a formal decision of creditors. The deemed date of delivery of the Proposals is 7 March 2023. Any requests for a decision procedure must be made in writing on or before eight business days after the deemed date of delivery.
- 8.3 If creditors wish for such a decision to be made by a physical meeting of creditors, then the threshold required is either 10 creditors, 10% by value of creditors or 10% of the number of creditors. If you wish for a meeting to be held, you must notify us in writing on or before 17 March 2023.
- 8.4 If a decision is not requisitioned by creditors by this date, the Proposals will be deemed to have been approved.

Progress report

- 8.5 The Administrators are required to provide a progress report within one month of the end of the first six month period following their appointment.

For and on behalf of
The Companies



Clare Kennedy
Administrator

Encs

Appendix A. Statutory information

IML

Company name	Indigo Michael Limited
Registered number	07721420
Registered office	Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU
Former registered office	2-6 Boundary Row, London, SE1 8HP
Trading address	Marble Arch House, 66-68 Seymour Street, London W1H 5BW
Trading names	Tappily and SafetyNet
Court details	Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference	4917 of 2022

ATSL

Company name	Account Technologies Software Limited
Registered number	07336400
Registered office	Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU
Former registered office	2-6 Boundary Row, London, SE1 8HP
Trading address	Marble Arch House, 66-68 Seymour Street, London W1H 5BW
Trading name	Account Technologies Software
Court details	Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference	23 of 2023

Details of the Companies' director, secretary, and shareholder as at the date of appointment are as follows:

	Date appointed	Date resigned	Percentage of shareholding
Director			
Robert John Ashton	11 October 2017	N/A	N/A
Secretary			
N/A	N/A	N/A	N/A
Shareholder			
Account Technologies Holdings Limited	N/A	N/A	100%

Appointor's information

Name	Address	Position
Robert John Ashton	4th Floor, March Arch House, 66 Seymour Street, London, England, W1H 5BT	Director

Administrators' information

Name	Address	IP number	Name of authorising body
Joseph O'Connor	AlixPartners UK LLP, 6 New Street Square, London, EC4A 3BF	12350	Insolvency Practitioners Association
Simon Appell	AlixPartners UK LLP, 6 New Street Square, London, EC4A 3BF	9305	Insolvency Practitioners Association
Clare Kennedy	AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU	20590	Insolvency Practitioners Association

The validity of the Administrators' appointments has been confirmed by Macfarlanes LLP.

A review of the securities granted by the Companies has been undertaken by Walker Morris LLP, which confirms that both securities are valid and enforceable against the Companies.

The Insolvency Regulation Recast (EU) 2015/848 applies to the Administration as it has effect in the UK. The proceedings are main proceedings as defined by article 3 of the Regulation. The Companies are based in the UK.

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Appendix B. Director's Statements of Affairs of the Companies

IML

Statement of affairs

Name of Company
Indigo Michael Limited

Company number
07721420

In the High Court of Justice Business and
Property Courts of England and Wales Insolvency and Companies
List (ChD)

Court case number
4917 of 2022

(a) Insert name and address and registered office of the company

Statement as to the affairs of
(a) Indigo Michael Limited
8th Floor, Ship Canal House, 98 King Street, Manchester, M2
4WU

(b) Insert date

on (b) 9 January 2023

Statement of Truth

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

Full name Robert ashton

Signed 
Robert Michael Easton 00131208 GMT

Dated Feb 7, 2023

A - Summary of Assets

ASSETS

Assets subject to fixed charge:

Intangible assets

Right of use assets

Less: Due to secured creditor

First ranking secured creditor

Second ranking secured creditor

Surplus / (Shortfall) to secured creditor

Assets subject to floating charge:

Pre-appointment net loan book

Tangible assets

Cash at bank and in hand

Prepayments

Deferred tax

Other assets

Estimated total assets available for preferential creditors

Book Value	Estimated to Realise
£	£
363,560	-
330,320	-
693,880	-
(60,083,678)	(60,083,678)
(60,083,678)	(60,083,678)
(119,473,476)	(120,167,356)
37,263,576	29,319,403
668,839	16,721
7,465,616	7,465,616
737,316	-
6,554,318	-
93,717	-
52,783,382	36,801,739

Signature

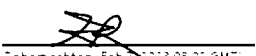

Robert Ashton - Feb 7, 2023 08:09 GMT

Date

Feb 7, 2023

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from page A)	36,801,739
Liabilities	
Preferential claims - employees	(34,696)
Secondary preferential claims - HMRC	(127,397)
Estimated deficiency/surplus as regards preferential creditors	36,639,646
Estimated prescribed part of net property where applicable (to carry forward)	800,000
Estimated total assets available for floating charge holders	35,839,646
Debts secured by floating charges	(120,167,356)
Estimated deficiency/surplus of assets after floating charges	(84,327,710)
Estimated prescribed part of net property where applicable (brought down)	800,000
Total assets available to unsecured creditors	800,000
Unsecured non-preferential claims (excluding any shortfall to floating chargeholders):	
Employee claims	(187,825)
HMRC	(20,765)
Intercompany creditors	(5,273,976)
Landlord claims / lease liabilities	(544,844)
Accruals and other creditors	(5,730,511)
Trade and expense creditors	(1,328,293)
Customer claims	(5,249,306)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(17,535,519)
Shortfall to preferential creditors	-
Shortfall to floating charge holder (brought down)	(84,327,710)
Estimated deficiency/surplus as regards creditors	(101,863,229)
Issued and called up share capital	(250,900)
Estimated total deficiency/surplus as regards members	(102,114,129)

Signature 
Robert Ashton Feb 7, 2023 08:09 GMT

Date Feb 7, 2023

COMPANY CREDITORS

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

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Midtown Madison Management LLC	770 Lexington Ave #13, New York, NY 10065	60,083,678	All monies debenture	15/06/2021	£75,000,000 senior secured floating rate notes
Account Technologies Holdings Limited	2-6 Boundary Row, London, England, SE1 8HP	60,083,678	All monies debenture	15/06/2021	Up to £75,000,000
HMRC - VAT/PAYE	Debt Management — EIS C, HM Revenue and Customs, BX9 1SH	127,397	N/A	N/A	N/A
HMRC - Corporation Tax	Debt Management — EIS C, HM Revenue and Customs, BX9 1SH	20,765	N/A	N/A	N/A
Employees - wages/holiday pay/pension arrears	48 employees	34,696	N/A	N/A	N/A
Employees - redundancy/termination	48 employees	187,825	N/A	N/A	N/A
Accruals and other creditors	Various	5,730,511	N/A	N/A	N/A
Landlord claims / lease liabilities	Various	544,844	N/A	N/A	N/A
Customer claims	Up to 6,000 customers	5,249,306	N/A	N/A	N/A
Account Technologies Software Limited	8th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU	5,273,976	N/A	N/A	N/A
Allen & Overy	One Bishops Square, London, E1 6AD	60,000	N/A	N/A	N/A
Amazon Business - (Facilities)	Lockbox 0462, PO Box 148, Sheffield, S98 1HR	246	N/A	N/A	N/A
Amazon Business - (IT)	Lockbox 0462, PO Box 148, Sheffield, S98 1HR	144	N/A	N/A	N/A
Amazon Web Services	410 Terry Avenue North, Seattle WA, United States, 98109-5210	58,484	N/A	N/A	N/A
Argyle Rose Limited	Ratcliffe Cottage, 2 Toothill Road, Loughborough, LE11 1PW	250	N/A	N/A	N/A
Arrow	1st Floor The Wharf, Abbey Mills Business Park, Lower Eashing, Godalming, Surrey, GU7 2QN	1,163	N/A	N/A	N/A
Barclaycard	1 Churchill Place, London, E14 5HP	86,126	N/A	N/A	N/A
BK Executive Wycombe Limited	148 Arnon Avenue, High Wycombe, Buckinghamshire, HP13 6DQ	345	N/A	N/A	N/A
Boundary Row Opco	10 Canberra House, Corbygate Business Park, Corby, Northamptonshire, NN17 5JG	2,412	N/A	N/A	N/A
Centaurus Communications	41 Waddington Way, Upper Norwood, London, SE19 3UB	7,200	N/A	N/A	N/A
CF Corporate Finance Ltd	Reading International Business Park, Reading, RG2 6AA	1,080	N/A	N/A	N/A

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Cifas	6th Floor, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT	11,400	N/A	N/A	N/A
CMS Cameron McKenna Nabarro Olswang LLP	Cannon Place, 78 Cannon Place, London, EC4N 6AF	25,678	N/A	N/A	N/A
Commify Uk Ltd (TextAnywhere)	Finance Department, The Atrium, 20 Wollaton St, NG1 5FW	259	N/A	N/A	N/A
Computervoucher Services	The Pavilions, Bridgwater Road, Bristol, BS13 8AE	284	N/A	N/A	N/A
Datasite	15 Bonhill Street, London, EC2A 4DN	1,656	N/A	N/A	N/A
Deliveroo	The River Building, Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE	1,078	N/A	N/A	N/A
Eatfirst	3rd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ	5,032	N/A	N/A	N/A
Equifax	First Floor, 6 Welington Place, Leeds, West Yorkshire, LS1 4AP	107,948	N/A	N/A	N/A
Financial Ombudsman Service	Case Fee Team, Exchange Tower, London, E14 9SR	289,500	N/A	N/A	N/A
Fit Works Training	Rugby Club, Windsor road, Beaconsfield, HP9 2SQ	1,100	N/A	N/A	N/A
Flying Bean Cafe Ltd	Unit 5 Wycombe Industrial Mall, High Wycombe, Bucks, HP11 2QY	129	N/A	N/A	N/A
Fox Williams LLP	10 Finsbury Square, London, EC2A 1AF	33,000	N/A	N/A	N/A
Google Ireland Limited (Commercial)	Gordon House, Barrow Street, Dublin 4, Ireland, D04 V4X7	83	N/A	N/A	N/A
Haptic Networks Ltd	Unit 3 Orion Park, Orion Way, Kettering, Northamptonshire, NN15 6PP	55	N/A	N/A	N/A
Health Shield	Electra Way, Crewe Business Park, Crewe, CW1 6HS	2,328	N/A	N/A	N/A
Heart Internet	5th Floor, The Shipping Building, Old Vinyl Factory, 252-254 Blyth Road, Hayes, UB3 1HA	12	N/A	N/A	N/A
Herbert Smith Freehills	Exchange House, Primrose Street, London, EC2A 2EG	181,097	N/A	N/A	N/A
Hi Bob (UK) Limited	Boundary House, 91/93 Charterhouse Street, London, EC1M 6HR	2,611	N/A	N/A	N/A
Home Counties Chauffeur	3 Rushland Field, Chinnor, OX39 4FZ	1,752	N/A	N/A	N/A
Kaplan Financial Limited	179-181 Borough High Street, London, SE1 1HR	2,427	N/A	N/A	N/A
Kefron 90AC01	63-66 Hatton Garden, London, EC1N 8LE	897	N/A	N/A	N/A
Kefron LSAC01	63-66 Hatton Garden, London, EC1N 8LE	104	N/A	N/A	N/A
Lantern	Protection House, 83 Bradford Road, Leeds, LS28 6AT	36,494	N/A	N/A	N/A
Loudwater Ventures Ltd	10 Brick Street, Mayfair, London, W1J 7HQ	86,850	N/A	N/A	N/A

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Mazars IML (Finance)	5th Floor, 3 Wellington Place, Leeds, LS1 4AP	9,059	N/A	N/A	N/A
MBL	The Mill House, 6 Worsley Road, Worsley, Manchester, M28 2NL	264	N/A	N/A	N/A
Microsoft Azure	One Microsoft Place, South County Business Park, Leopardtowns, Dublin, Ireland, DU18 P521	1,841	N/A	N/A	N/A
Natwest Credit Card	1 Princes St, London, EC2R 8BP	8,227	N/A	N/A	N/A
NHB Recruitment Solutions Ltd	Kemp House, 152-160 City Road, London, EC1V 2NX	9,502	N/A	N/A	N/A
Office Pantry	53 King Street, Bristol, BS1 4DZ	322	N/A	N/A	N/A
Office Test	New Penderel House, 283 - 288 High Holborn, London, WC1V 7HP	4,334	N/A	N/A	N/A
Opos	2nd Floor, 15 Meadowbank Street, Dumbarton, G82 1JR	7,412	N/A	N/A	N/A
Pertemps Recruitment Partnership Limited	Meriden Hall, Main Road, Meriden, Warwickshire, CV7 7PT	29,153	N/A	N/A	N/A
Rackspace 1080236	Unit 8 & 9, Millington Road, Hyde Park, Hayes, Middlesex, UB3 4AZ	73,348	N/A	N/A	N/A
Rackspace 967327	Unit 5, Millington Road, Hyde Park, Hayes, Middlesex, UB3 4AZ	6,165	N/A	N/A	N/A
Ray Watson		5,000	N/A	N/A	N/A
Removals B2U	47 fassetts road, High Wycombe, HP10 9UP	3,120	N/A	N/A	N/A
Reputation Communications	36-40 Maple Street, Fitzrovia, London, W1T 6HE	2,400	N/A	N/A	N/A
Restore Dashred	Unit Q1, Queen Elizabeth Distribution Centre, Purfleet, Essex, RM19 1NA	301	N/A	N/A	N/A
Royal Mail	100 Victoria Embankment, London, EC4Y 0HQ	4,920	N/A	N/A	N/A
RTT Telecoms Ltd	Lower Farm, Preston on Stour, Stratford Upon Avon, Warwickshire, CV37 8NG	4,425	N/A	N/A	N/A
Savills	33 Margaret Street, London, W1G 0JD	102,579	N/A	N/A	N/A
Scorebuddy (Sentient Solutions Ltd)	The Masonry, 151-156 St Thomas Street, Dublin 8, Ireland, D08 PYSE	2,462	N/A	N/A	N/A
Soldo	119 Marylebone Road, London, NW1 5PU	34	N/A	N/A	N/A
Square 4 Partners Limited	48 Warwick St, London, W1B 5AW	36,720	N/A	N/A	N/A
Stripe	7th Floor, 211c Old Street, London, EC1V 9NR	701	N/A	N/A	N/A
Talk Talk Business 882	PO Box 674, Salford, M5 0NJ	158	N/A	N/A	N/A
Team Viewer	Jahnstr. 30, 73037 Goppingen, Handelsregister Ulm, Germany, HRB 534075	312	N/A	N/A	N/A

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
TrustPilot	A/S Pilestrade 585, 1112 Copenhagen, Denmark	3,710	N/A	N/A	N/A
Tune	11350 McCormick Rd, Executive Plaza, 3 STE 200, Hunt Valley, United States, MD 21031	1,262	N/A	N/A	N/A
UK Fuels Limited	Eurocard Centre, Herald Drive, Crewe, CW1 6EG	584	N/A	N/A	N/A
Vending 4 You Ltd	Unit 3 Manor Farm, Manor Farm Road, Reading, Berkshire, RG10 0PY	109	N/A	N/A	N/A
Wren Davis Ltd	Collings Hanger Farm, Prestwood, Great Missenden, HP16 0HP	644	N/A	N/A	N/A
TOTALS		138,664,968			

Signature  _____

Date Feb 7, 2023

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of shares held
Account Technology Holdings Limited	2-6 Boundary Row, London, England, SE1 8HP	250,900,000	250,900	Share Capital
TOTALS		250,900,000	250,900	

Signature  _____ Date Feb 7, 2023

ATSL

Statement of affairs

Name of Company Account Technologies Software Limited	Company number 07336400
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)	Court case number 23 of 2023

(a) Insert name and
address and
registered office of
the company

Statement as to the affairs of
(a) Account Technologies Software Limited
8th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU

(b) Insert date

on (b) 9 January 2023

Statement of Truth

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

Full name Robert ashton

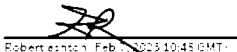
Signed 
Robert ashton Feb 7 2023 10:48 GMT

Dated Feb 7, 2023

A - Summary Description

ASSETS

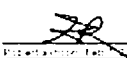
	Net Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Intangible assets	900,259	180,052
Right of use assets	3,348,803	-
	4,249,062	180,052
Less: Due to secured creditor		
First ranking secured creditor	(60,083,678)	(60,083,678)
Second ranking secured creditor	(60,083,678)	(60,083,678)
Surplus / (Shortfall) to secured creditor	(115,918,294)	(119,987,304)
Assets subject to floating charge:		
Tangible assets	166,293	4,147
Cash at bank and in hand	272,444	272,444
Prepayments	88,584	-
Deferred tax	2,753,670	-
Intercompany debtor	5,800,974	-
Other assets	843,109	-
Estimated total assets available for preferential creditors	9,925,074	276,591

Signature 

Date Feb 7, 2023

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from page A)	276,591
Liabilities	
Preferential claims - employees	(16,544)
Secondary preferential claims - HMRC	(92,289)
Estimated deficiency/surplus as regards preferential creditors	167,758
Estimated prescribed part of net property where applicable (to carry forward)	36,552
Estimated total assets available for floating charge holders	131,206
Debts secured by floating charges	(119,987,304)
Estimated deficiency/surplus of assets after floating charges	(119,856,098)
Estimated prescribed part of net property where applicable (brought down)	36,552
Total assets available to unsecured creditors	36,552
Unsecured non-preferential claims (excluding any shortfall to floating charge holders):	
Employee claims	(91,434)
HMRC	(1,032,102)
Intercompany creditors	(9,452)
Landlord claims / lease liabilities	(3,985,971)
Accruals and other creditors	(526,896)
Trade and expense creditors	(29,476)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(5,638,783)
Shortfall to preferential creditors	-
Shortfall to floating charge holder (brought down)	(119,856,098)
Estimated deficiency/surplus as regards creditors	(125,494,881)
Issued and called up share capital	(900)
Estimated total deficiency/surplus as regards members	(125,495,781)

Signature  _____
Proprietor/Chairman/Secretary/Member

Date Feb 7, 2023

COMPANY CREDITORS

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

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Midtown Madison Management LLC	770 Lexington Ave #13, New York, NY 10065	60,083,678	All monies debenture	15/06/2021	£75,000,000 senior secured floating rate notes
Account Technologies Holdings Limited	2-6 Boundary Row, London, England, SE1 8HP	60,083,678	All monies debenture	15/06/2021	Up to £75,000,000
HMRC - VAT/PAYE	Debt Management — EIS C, HM Revenue and Customs, BX9 1SH	92,289	N/A	N/A	N/A
HMRC - Corporation Tax	Debt Management — EIS C, HM Revenue and Customs, BX9 1SH	1,032,102	N/A	N/A	N/A
Employees - wages/holiday pay/pension arrears	20 employees	16,544	N/A	N/A	N/A
Employees - redundancy/termination	20 employees	91,434	N/A	N/A	N/A
Accruals and other creditors	Multiple	526,898	N/A	N/A	N/A
Landlord claims / lease liabilities	Multiple	3,985,971	N/A	N/A	N/A
Indigo Michael Ltd	8th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU	9,452	N/A	N/A	N/A
Etched	19 Darren Crescent, Half Moon Bay, Auckland, New Zealand, 2012	8,226	N/A	N/A	N/A
Broadgate Estate	York House, 45 Seymour Street, London, W1H 7LX	6,696	N/A	N/A	N/A
Mazars ATS (Finance)	5th Floor, 3 Wellington Place, Leeds, LS1 4AP	4,092	N/A	N/A	N/A
Eagles Cleaning	55 Peckham Road, London, SE15 6TU	2,464	N/A	N/A	N/A
Squire Patton Boggs	Premier Place, 2 & A Half Devonshire Square, London, EC2M 4UJ	2,281	N/A	N/A	N/A

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Zip Heaters (UK) Ltd T/A Zip Water UK	14 Bertie Ward Way, Dereham, Norfolk, NR19 1TE	1,842	N/A	N/A	N/A
Eatfirst	3rd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ	1,467	N/A	N/A	N/A
Broadgate Estate Services	York House, 45 Seymour Street, London, W1H 7LX	1,194	N/A	N/A	N/A
Health Shield	Electra Way, Crewe Business Park, Crewe, CW1 6HS	581	N/A	N/A	N/A
Soldo	William de Smith, 119 Marylebone Road, London, NW1 5PU	533	N/A	N/A	N/A
Amazon Business	Lockbox 0462, PO Box 148, Sheffield, S98 1HR	102	N/A	N/A	N/A
TOTALS		125,951,523			

Signature  _____
Exempted from Reg No 11 10 48 QMT

Date **Feb 7, 2023**

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of shares held
Account Technologies Holdings Ltd	2-6 Boundary Row, London, SE1 8HP	900	900	Share capital
TOTALS		900	900	

Signature  Robertson, Feb 7 2023 10:42 AMT

Date Feb 7, 2023

Appendix C. Administrators' Receipts and Payments Accounts for the period 9 January 2023 to 24 February 2023

IML

Statement of Affairs £	Period £
Floating charge assets	
Receipts	
29,319,403 Book debts (pre appt debtor book)	15,868,033
7,465,616 Cash at bank	7,258,498
Bank interest	26,760
Trading deficit	(11,458,198)
	11,695,094
Payments	
Legal fees	32,534
Statutory advertising	131
Mail diversion service	5,064
Ransom payments	2,828
	(40,557)
Balance of floating charge assets	11,654,537
Total balance	11,654,537
Represented by	
Interest bearing account	11,654,537
	11,654,537

ATSL

Statement of Affairs £		Period £
	Floating charge assets	
	Receipts	
272,444	Cash at bank	271,850
	Bank interest	771
	Trading surplus	43,900
		316,522
	Payments	
	Statutory advertising	131
		(131)
	Balance of floating charge assets	316,391
	Total balance	316,391
	Represented by	
	Interest bearing account	316,391
		316,391

Note: The above is subject to small rounding differences.

Appendix D. Administrators' Trading Receipts and Payments Accounts for the period 9 January 2023 to 24 February 2023

IML

	Period £
Post-appointment sales	
Loan repayment - principal	3,129,193
Loan repayment - interest	2,291,419
	5,420,612
Other direct costs	
Wages and salaries	301,260
Employee expenses	2,332
PAYE and National Insurance	140,568
	(444,160)
Trading expenditure	
IT and telephony	78,474
Pension	52,925
Funds advanced for lending	16,031,000
Payroll agent's fees	13,923
Other sundry costs	50,468
Customer refunds	253
Processing fees	7,477
Intercompany licence fee	200,000
Bank charges	130
	(16,434,650)
Trading deficit	(11,458,198)

ATSL

	Period £
Post-appointment sales	
Licence fee	200,000
	200,000
Other direct costs	
Wages and salaries	66,236
Employee expenses	246
PAYE and National Insurance	42,933
	(109,415)
Trading expenditure	
IT and telephony	25,416
Pension	15,532
Payroll agent's fees	2,958
Other sundry costs	2,772
Bank charges	6
	(46,684)
Trading deficit	43,900

Note: The above is subject to small rounding differences.

Appendix E. Administrators' fees and pre-administration costs

Administrators' fees

A copy of the R3 creditors' guide on Insolvency Practitioners fees in Administrations can be downloaded from our creditor portal (www.ips-docs.com – see General Information for Creditors). If you would prefer this to be sent to you in hard copy, please contact the Administrators and they will forward a copy to you.

The basis of the Administrators' fees may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Administrators:

- a percentage of the value of the assets with which they have to deal;
- by reference to time properly spent by them and their staff dealing with matters arising in the Administration; or
- as a set amount.

On these assignments it is proposed that the basis of the Administrators' fees shall be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administrations.

If creditors resolve to establish a committee, it shall as part of the committee's duties to determine the basis or bases of the Administrators' fees and authorise their category 2 expenses.

If there is no creditors' committee, or the committee fails to determine the remuneration payable, such remuneration may be fixed with the approval of each secured creditor of the Companies, or, where a distribution to preferential creditors is paid, or proposed, with the approval of each secured creditor and preferential creditors whose debts amount to more than 50% of the preferential debts of the Companies, disregarding those preferential creditors who do not respond to an invitation to give or withhold approval.

Subject to the approval of the relevant creditors, it is proposed that the Administrators will draw fees when funds are available. Fees will be drawn from asset realisations, and at present it is anticipated that the costs provided in the fee estimate detailed below will be recovered in full.

Pre-administration costs

Pre-administration fees charged and expenses incurred by AlixPartners totalled £530,000. AlixPartners was engaged by ATHL on a fixed fee basis, subject to an agreement dated 28 November 2022 and these have been paid in full by ATHL.

The work performed prior to the Administrations included planning for a wind down of IML by way of an Administration appointment. This furthered the achievement of the objective of the Administrations as it enabled the proposed Administrators to devise a preferred strategy to realise the IML loan book which would in turn enhance realisations in ATSL; identify key stakeholders and develop internal and external communications materials and generally undertake any additional diligence required to be able to accept an appointment.

Pre-administration costs are not included in the fee estimate set out below and no approval is being sought from creditors to draw any further pre-administration costs from the Companies' Administration estates. The details above have been provided for disclosure purposes only.

Administrators' fee estimate

Details of the work that the Administrators envisage being required to achieve their selected objective, and to comply with the statutory and regulatory duties that are imposed upon them as a consequence of their appointment are set out in section 5. The anticipated amount of work and the costs associated with it are set out below.

IML

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	2,649	504	1,336,145
Realisation of assets	184	465	85,528
Administration (including statutory reporting)	1,290	507	654,058
Investigations	36	404	14,560
Creditors (claims and distribution)	771	418	322,633
Treasury and Tax	110	472	51,927
Total:	5,040	489	2,464,851

ATSL

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	327	505	165,142
Realisation of assets	23	460	10,571
Administration (including statutory reporting)	159	508	80,839
Investigations	4	450	1,800
Creditors (claims and distribution)	95	420	39,876
Treasury and Tax	14	458	6,418
Total:	622	490	304,646

The above estimates are based on information which has been made available to the Administrators to date. Should any matters arise, such as investigatory matters and/or additional realisable assets, further time will be incurred dealing with such matters. Similarly, if the Administrators encounter any protracted realisations, such as delays incurred whilst realising assets of the Companies, further time will be incurred in finalising matters. If applicable and any fee estimate revision is needed, the Administrators will advise creditors in further communications.

Given the anticipated duration of the wind-down plan for IML and the volume of stakeholders involved, the proposed fee is expected to be fair and a reasonable reflection of the work to be carried out.

Appendix F. Expenses of the Administrations

In accordance with Statement of Insolvency Practice 9, expenses are any payments from the estate which are neither an administrator's fees nor a distribution to a creditor or member. 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 are payments to persons providing a service who are not an associate of the administrator. Category 1 expenses may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 1 expenses to be incurred by third parties

The below table details the anticipated category 1 expenses which will be incurred by third parties during the course of the Administrations.

	IML anticipated cost £	ATSL anticipated cost £
Legal costs	480,000	48,000
Agent's fees	24,000	-
Employee agent's fees	10,350	2,724
Payroll agent's fees	40,000	20,000
Insurance	3,000	2,000
Total:	557,284	72,724

The above costs are shown inclusive of VAT on the basis that VAT incurred on costs cannot be recovered from HMRC as explained previously.

Category 1 expenses to be incurred by the Administrators

The below table details the anticipated incidental expenses which will be incurred by the Administrators during the course of the Administrations.

	IML anticipated cost £	ATSL anticipated cost £
Specific penalty bond	250	250
Statutory advertising	170	170
Storage	500	500
Stationery and postage	1,000	500
Re-direction of mail	11,544	-
Total:	13,464	1,420

Note: The costs associated with the re-direction of mail are for a period of six months at the two trading premises; a PO Box address and IML's former registered office.

Trading position

Given the uncertain nature of the future trading performance in Administration, it is not possible to provide a forecast in relation to the likely final trading position as part of this report.

As first ranking chargeholder, Atalaya is the sole creditor who will benefit from any trading surplus achieved in IML. Conversely, in the event repayments from lending by IML following appointment are not sufficient to cover the associated costs, Atalaya will incur the deficit. The outcome to any other creditors is therefore not affected by the final trading position and the Administrators engage with Atalaya on this regularly.

Category 2 expenses

Category 2 expenses are payments to associates of an administrator or which have an element of shared costs and may consist of:

- costs incurred by AlixPartners in respect of several insolvent companies, that are then allocated between those companies; and
- business mileage for staff travel – charged at the rate of 45 pence per mile.

The Administrators require prior approval from the secured and preferential creditors to draw category 2 expenses. The request to draw these expenses will be issued to the relevant creditors with this report.

Appendix G. Administrators' details of time spent to date

Total time costs for the Period for IML are £1,212,071. This represents 2,385 hours at an average rate of £508 per hour.

IML

Activity category	Hours incurred	Blended rate per hour £	Time cost £
Trading	1,177	533	627,703
Realisation of assets	47	518	24,331
Administration (including statutory reporting)	1,128	483	544,887
Investigations	5	348	1,738
Creditors (claims and distribution)	28	479	13,412
Total:	2,385	508	1,212,071

Total time costs for the Period for ATSL are £174,511. This represents 367 hours at an average rate of £476 per hour.

ATSL

Activity category	Hours incurred	Blended rate per hour £	Time cost £
Trading	109	486	52,994
Realisation of assets	18	389	7,001
Administration (including statutory reporting)	234	482	112,893
Investigations	4	194	775
Creditors (claims and distribution)	2	424	848
Total:	367	476	174,511

Appendix H. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors; and
- professional advisors.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of one or more members of staff at each of the grades detailed in the charge-out rate schedule overleaf. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case.

With regard to support staff, the Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors:

Service type	Service provider	Basis of fee arrangement	Cost incurred to date IML £	Cost incurred to date ATSL £
Employee claim processing	Evolve IS Limited	Rate per employee plus fixed fee	3,870	2,208
Payroll processing	Mazars LLP	Fixed fee per payroll submission	13,923	2,958

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangements with them, which are subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Walker Morris LLP (legal advice)	Hourly rate and disbursements
Macfarlanes LLP (legal advice)	Hourly rate and disbursements
Hilco Global (chattels agent - valuation and disposal)	Fixed fee plus disbursements
Aon Risk Solutions (insurance)	Risk based premium plus fixed fee

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of their fee arrangements with them.

Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for these assignments effective from 1 January 2023 is detailed below. Time is charged by the appointees and case staff in units of six minutes.

Description	Rates from 1 January 2023 £
Partner & Managing Director	920-1,135
Partner	875
Director	740-830
Senior Vice President	535-670
Vice President	415-515
Consultant	145-390
Treasury and support	190-375

Appendix I. Exit routes and discharge from liability

Dissolution of the Companies

Based on present information, the Administrators think that the Companies have no property which might permit a dividend to be paid to their unsecured creditors, other than by way of the Prescribed Part.

In this situation, the Administrators will file notices together with a final progress report at court and with the Registrar of Companies for the dissolution of the Companies once all matters have been concluded and funds have been distributed. The Administrators will send copies of these documents to the Companies and their creditors.

The Administrations will end following the registration of the notice by the Registrar of Companies and be dissolved three months after this date.

Compulsory liquidation

A liquidator of a company has certain powers such as the ability to disclaim onerous contracts or assets that are not available to an administrator. If such powers become necessary, the Administrators may make an application to court to end the Administrations and request that the court places the Companies into compulsory liquidation. The Administrators will send notice of any such application to the Companies and their creditors.

Discharge from liability

The Administrators are seeking approval for their discharge from liability from the relevant creditors. It is proposed that the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators cease to have effect.