

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



A21 \*A7KOLE5N\* 13/12/2018 #54  
COMPANIES HOUSE

### 1 Company details

Company number 0 7 5 7 3 6 3 8  
Company name in full The Imaginarium Studios Limited

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

### 2 Administrator's name

Full forename(s) Stephen John  
Surname Absolom

### 3 Administrator's address

Building name/number 15 Canada Square  
Street Canary Wharf  
Post town London  
County/Region  
Postcode E 1 4 5 G L  
Country

### 4 Administrator's name ①

Full forename(s) William James  
Surname Wright

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

### 5 Administrator's address ②

Building name/number 15 Canada Square  
Street Canary Wharf  
Post town London  
County/Region  
Postcode E 1 4 5 G L  
Country

② Other administrator  
Use this section to tell us about  
another administrator.

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X

*SA*

X

Signature date	<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name	Kerry OSullivan
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



Joint  
Administrators'  
progress  
report for the  
period 15 May  
2018 to 14  
November  
2018

The Imaginarium Studios  
Limited - in Administration

11 December 2018

## Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+IH51040450.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 7).**

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# 1 Executive summary

- This progress report covers the period from 15 May 2018 to 14 November 2018.
- We were appointed on 15 May 2017 following a resolution of the Directors of the Company. We completed two transactions shortly after appointment, one for the shares in four of the five subsidiaries of the Company, and another for the equipment in the Company's performance capture studio and associated digital assets.
- The Company had a number of unfinished projects at the date we were appointed. Following the transactions we retained the rights to receive back-end net profit shares from the films *Breathe* and *The Ritual* (the 'Films'), and from the video game *War for the Planet of the Apes: Last Frontier* (the 'Game'), if any. (Section 2 - Progress to date).
- We are also continuing to realise the Company's remaining assets, which include a 100% shareholding in the Company's Malaysian subsidiary and a collectable book debt (Section 2 - Progress to date).
- Information relating to the performance of the Films and the Game has been regularly provided by the Directors of the respective purchasers to us. The Films and the Game have both significantly underperformed compared to the purchasers' expectations, and it has become evident that back-end net profit shares are unlikely (Section 2 - Progress to date).
- We are not aware of any secured claims against the Company (Section 3 - Dividend prospects).
- It is unlikely that there will be a distribution to the preferential creditors (Section 3 - Dividend prospects).
- It is unlikely that there will be sufficient funds to enable a distribution to the unsecured creditors (Section 3 - Dividend prospects).
- The extension of the administration, and additional work carried out regarding the Company's Malaysian subsidiary, has increased our time costs beyond that initially estimated in our proposals. We are therefore seeking approval for an increase in our remuneration. (Section 5 – Joint Administrators' remuneration, disbursements and pre-administration costs).
- The administration is currently due to end on 14 May 2019. If all remaining assets are realised and all other matters closed off before this date then the Joint Administrators will commence closure proceedings (Section 6 – Future strategy).
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+IH51040450.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absolom  
Joint Administrator



## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

### 2.1 Strategy and progress to date

#### Background

Please see our previous reports for background on the Company and events leading to its administration.

#### Strategy

The main strategy of the administration has been to continue to realise the Company's remaining assets.

As well as the back-end net profit shares in the Films and the Game, the Company was entitled to a back-end net profit share in a number of other film and TV projects should they be developed and commercially successful (the 'Other Projects').

The Company also continues to hold 100% of the shares in its Malaysian subsidiary, IMSAP. We have also identified a collectable book debt of c. £10,500.

As previously reported, the administration was extended by a further 12 months to give us time to fully ascertain the likelihood of future realisations from the Company's remaining assets.

#### Progress to date

##### Films and Other Projects

Following the sale of shares in four of the five subsidiaries of the Company to Jawjip, the Company was entitled to a back-end net profit share in respect of the Films and the Other Projects.

The Directors of Jawjip have recently confirmed that the performance of both the Films was far below expectations. The information provided to us suggests that it is unlikely that the Company will realise anything from its back-end net profit share in the Films.

The Directors of Jawjip have also provided information confirming that deferred consideration from the commercial exploitation of underdeveloped Other Projects is unlikely.

##### Game

As previously reported, immediately prior to administration, the Directors of the Company concluded a sale of the Company's rights to the Game to New Dawns.

The Directors completed this sale to preserve value in the rights to the Game, which the Directors believed would likely have lapsed were they to have been held by the Company in administration. The sale to New Dawns included provisions which entitled the Company to benefit from a back-end net profit share in the Game.

The Directors of New Dawns have recently confirmed that the performance of the Game has fallen far short of expectations. Information provided to us suggests that it is unlikely that any future realisations will be achieved with regards to the Game.

### **Shares held in IMSAP**

As previously reported, IMSAP held rights to a back-end net profit share of the Game via an agreement with New Dawns, worth up to £125,000 depending on the performance of the Game, which at the time potentially increased future realisations for creditors.

However, given the underperformance of the Game as described above, it is unlikely that any realisations will be achieved from this assignment of rights.

We are currently in discussions with the Directors to IMSAP regarding the Company's shareholding.

## **2.2 Asset realisations**

There have been no realisations during the period (see the receipts and payments account attached - Appendix 2).

### **Debtors**

During the period we have identified a collectible book debt of £10,500 which we are currently in the process of realising.

### **VAT**

We are currently awaiting a VAT refund into the administration from HMRC.

## **2.3 Costs**

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

### **Legal fees**

Legal costs of £7,691 were paid to Boyes Turner LLP and Gateley Plc during the period.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

### **Legal fees**

We have incurred legal fees of £700 in the period.

## 3 Dividend prospects

### 3.1 Secured creditors

We are not aware of any secured claims against the Company.

### 3.2 Preferential creditors

We estimate the amount of preferential claims to be £36,600.

Based on current estimates, it is unlikely that there will be a dividend to preferential creditors.

### 3.3 Unsecured creditors

Based on current estimates, it is unlikely that there will be a dividend to unsecured creditors.

## 4 Other matters

### 4.1 Decision procedure

Notice of seeking a decision by correspondence can be found on the Joint Administrators' online portal in conjunction with this report. This decision by correspondence procedure is being used to seek further approval for the Joint Administrators' fees (see Section 5 below).

Please note that if a Creditors' Committee is formed, the votes cast by creditors in relation to the proposed decisions above will be disregarded.

Creditors' right to request a physical meeting

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors or (c) 10 creditors and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which notice of the decision procedure was delivered. They must include:

- a statement of the requesting creditors' claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting.

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical meeting, please complete and return the physical meeting requisition form which can be found on the Joint Administrators' online portal in conjunction with this report.

## **5 Joint Administrators' remuneration and disbursements**

### **5.1 Joint Administrators' remuneration and disbursements**

We are seeking approval from the preferential and unsecured creditors of the company to draw additional remuneration (see additional information below).

#### **Time costs**

From 15 May 2018 to 14 November 2018, we have incurred time costs of £19,793. These represent 54 hours at an average rate of £364 per hour.

#### **Disbursements**

During the period, we have not incurred any disbursements.

#### **Additional information**

Our time costs have increased as we extended the administration for a further 12 months. The administration was extended as it was not clear whether or not there would be further realisations in respect of the Films or the Game, which meant that dividend prospects were uncertain.

There has been additional work needed in respect of monitoring the progress of the deferred back-end net profit share arrangements for the Films and the Game.

Our time costs have also increased due to spending more time than originally anticipated on matters relating to IMSAP, including the assignment of rights to the Game as mentioned in Section 2.1.

We have attached a fees estimate at Appendix 4 which shows the expected costs to complete the administration, which totals £250,265. This has not changed from our previous progress report.

Our approved fees for the administration currently stand at £147,225. We intend to cap our fees at £185,000, so are therefore seeking approval for a further £37,775. Please see the decision procedure forms available at <http://www.insolvency-kpmg.co.uk/case+KPMG+IH51040450.html>.

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 15 May 2018 to 14 November 2018. We have also attached our charging and disbursements policy.

## **6 Future strategy**

### **6.1 Future conduct of the administration**

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Realising the book debt referred to in Section 2.2;
- Realising the Company's shareholding in its Malaysian subsidiary;
- Settling any outstanding costs of realisation;
- Finalisation of the tax affairs of the Company; and
- Our ongoing statutory and compliance obligations.

### **6.2 Closure and future reporting**

Once the Company's remaining assets set out in Section 2 have been realised, and once the Company's tax affairs have been finalised, the Joint Administrators intend to commence closure proceedings.

Given the likelihood of no distributions to preferential or to unsecured creditors, it is likely that the Company will be dissolved.

We intend to provide our final progress report by 14 May 2019 or sooner if matters have been concluded before then.

## Appendix 1      Statutory information

### Company information

Company name	The Imaginarium Studios Limited
Date of incorporation	22 March 2011
Company registration number	07573638
Present registered office	KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD

### Administration information

Administration appointment	The administration appointment granted in Birmingham County Court, 8129 of 2017
Appointor	Directors
Date of appointment	15 May 2017
Joint Administrators' details	Steve Absolom and Will Wright
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	14 May 2019

## Appendix 2 Joint Administrators' receipts and payments account

The Imaginarium Studios Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 15/05/2016 To 14/11/2016 (£)	From 15/05/2017 To 14/11/2016 (£)
ASSET REALISATIONS			
81,999.00	Shares and investments	NIL	82,000.00
24,343.00	Cash at bank	NIL	23,551.89
52,487.00	Cash at bank - Malaysia	NIL	52,487.00
		NIL	158,038.89
OTHER REALISATIONS			
	Petty cash	NIL	423.77
	Recoveries from investigations	NIL	8,338.08
	Contribution to costs	NIL	2,280.00
	Office equipment	NIL	400.00
1.00	Intellectual property	NIL	3,000.00
99,997.00	Studio equipment	NIL	85,000.00
3,000.00	Equipment - digital assets	NIL	15,000.00
		NIL	114,441.85
COST OF REALISATIONS			
	Pre-administration legal costs	NIL	(36,121.30)
	Administrators' fees	NIL	(73,612.00)
	Administrators' expenses	NIL	(928.15)
	Administrators' pre-administration costs	NIL	(48,730.00)
	Legal fees	(7,691.00)	(33,517.20)
	Statutory advertising	NIL	(69.00)
	Bank charges	NIL	(20.00)
		(7,691.00)	(192,997.65)
PREFERENTIAL CREDITORS			
(37,524.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(375,723.00)	Trade & expense	NIL	NIL
(170,780.00)	Employees	NIL	NIL
(2,326,966.00)	Directors	NIL	NIL
(77,000.00)	Non-preferential PAYE/NIC	NIL	NIL
(17,179.00)	Non-preferential VAT	NIL	NIL

# **The Imaginarium Studios Limited - in Administration**

## **Abstract of receipts & payments**

Statement of affairs (£)		From 15/05/2018 To 14/11/2018 (£)	From 15/05/2017 To 14/11/2018 (£)
		NIL	NIL
	DISTRIBUTIONS		
(5.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(2,743,350.00)</b>		<b>(7,691.00)</b>	<b>79,483.09</b>
	REPRESENTED BY		
	Floating ch. VAT rec'able		38,585.53
	Floating charge current		63,973.46
	Floating ch. VAT payable		(20,680.00)
	Floating ch. VAT control		(2,395.90)
			<b>79,483.09</b>

## Appendix 3 Schedule of expenses

Schedule of expenses (15/05/2018 to 14/11/2018)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period but not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Legal fees	0.00	700.00	<b>700.00</b>
Administrators' fees	0.00	19,792.95	<b>19,792.95</b>
<b>TOTAL</b>	<b>0.00</b>	<b>20,492.95</b>	<b>20,492.95</b>

Please note that there is a difference between the payments made during the period of £7,691 (per the receipts and payments account) and the expenses incurred and paid in the period of £nil (per the schedule of expenses).

This is due to the fact that the payments made in the period relate to expenses incurred in a prior period.

### Requests for further information and right to challenge our remuneration and expenses

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

#### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Kerry O'Sullivan at KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD.

## Appendix 4 Joint Administrators' fees estimate as at 14 May 2018

The Imaginarium Studios Limited - in Administration		Disclosed estimated time costs for the engagement			Additional estimated time costs for the engagement			
	Notes	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Additional Estimated Total hours	Additional Estimated Time cost (£)	Estimated Average hourly rate (£)	Total cost
<b>Administration &amp; planning</b>								
<b>Bankrupt/Director/Member</b>								
<b>Cashiering</b> - processing receipts, payments and bank reconciliations	Note 1	12.00	3,630.00	302.50	9.00	2,055.00	228.33	5,685.00
<b>General</b> - books & records, fees & work in progress	Note 2	46.00	15,330.00	333.26	5.00	2,000.00	400.00	17,330.00
<b>Statutory and compliance</b> - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	143.00	49,345.00	345.07	10.50	4,085.00	389.05	53,430.00
<b>Tax</b> - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	59.00	18,425.00	312.29	9.00	3,995.00	443.89	22,420.00
<b>Creditors</b>								
<b>Creditors and claims</b> - general correspondence, notification of appointment, statutory reports	Note 5	100.00	30,870.00	308.70	43.00	14,855.00	345.47	45,725.00
<b>Committees</b> - committee meetings and reports to the committee								
<b>Employees</b> - correspondence	Note 6	43.50	17,780.00	408.74	12.00	4,195.00	349.58	21,975.00
<b>Investigation</b>								
<b>Directors</b> - correspondence, statement of affairs, questionnaires	Note 7	46.00	17,710.00	385.00	0.00	0.00	0.00	17,710.00
<b>Investigations</b> - director conduct and affairs of the Company	Note 8	28.00	11,530.00	411.79	0.00	0.00	0.00	11,530.00
<b>Realisation of assets</b>								
<b>Asset Realisation</b> - including insurance of assets	Note 9	99.00	40,525.00	409.34	30.00	13,935.00	464.50	54,460.00
<b>Trading</b>								
<b>Trading</b> - purchases, sales, cash projections		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>576.50</b>	<b>205,145.00</b>	<b>355.85</b>	<b>118.50</b>	<b>45,120.00</b>	<b>380.76</b>	<b>250,265.00</b>

The table above shows the costs expected to complete the administration, which have not changed from the expected costs set out in our last progress report. As mentioned in Section 5, we intend to cap our fees at £185,000; given our previously approved fees of £147,225, we are seeking approval to draw additional remuneration of £37,775.

### Note 1 - Cashiering

The Company operated several bank accounts prior to our appointment. Our anticipated work will involve closing the existing accounts and carrying out monthly bank reconciliations.

### Note 2 - General

Our work includes collection of the Company's books and records not included in the sales contracts, arranging mapping of the Company's accounting records and other electronic records and seeking approval for our fees and expenses as detailed in the Proposals.

### Note 3 – Statutory & Compliance

Our work will include notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding and ensuring compliance with all statutory obligations. Further details are included in the Proposals.

**Note 4 - Tax**

We have instructed our internal VAT and Tax specialists to review the Company's tax and VAT affairs. We will submit post-administration tax and VAT returns as required.

**Note 5 – Creditors & Claims**

There will be time spent dealing with creditor queries and statutory reporting.

**Note 6 - Employees**

As reported, 17 employees were transferred to the Purchaser immediately following our appointment. Various employees were made redundant shortly after our appointment. Our work includes making announcements to the employees on our appointment, assisting the former employees to complete their claim forms and dealing with any subsequent queries.

**Note 7 - Directors**

Our anticipated work will involve correspondence with the Directors regarding their statutory duties, requesting the completion of the Statement of Affairs and questionnaire.

**Note 8 - Investigations**

This work will involve reviewing the Company's affairs, directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State. We will also be investigating any transactions or disposals made in the lead up to and/or immediately prior to our appointment.

**Note 9 – Asset realisation / lease assignments**

Whilst the majority of the Company's assets were sold, we anticipate further work will be required in exploring any potential value in the last remaining key asset, the Company's Malaysian based subsidiary. There has also been additional work needed in respect of monitoring the progress of the deferred back-end net profit share arrangements for the Films and the Game.

## Appendix 5 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Kerry O'Sullivan on 01223 582036.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

### Table of charge-out rates

Charge-out rates (£) for Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

#### Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

**Category 1 disbursements:** These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements:** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

#### Narrative of work carried out for the period 15 May 2018 to 14 November 2018

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> <li>■ posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ arranging bonding and complying with statutory requirements;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li> <li>■ arranging extension of the administration.</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategy;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ liaising with management to review and update strategy and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointment;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> </ul>

	<ul style="list-style-type: none"> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ reviewing the Company's pre-appointment corporation tax and VAT position;</li> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ working initially on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ collating information from the Company's records regarding the assets;</li> <li>■ reviewing outstanding debtors and management of debt collection strategy;</li> <li>■ seeking legal advice in relation to book debt collections;</li> <li>■ reviewing the inter-company debtor position between the Company and other group companies.</li> <li>■ monitoring progress of the Films and the Game to ascertain the likelihood of realisations for creditors</li> <li>■ liaising with the directors of IMSAP to assign rights to the Game to the Company, and exploring options to realise value for IMSAP.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ dealing with queries from employees regarding various matters relating to the administration and their employment;</li> <li>■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>■ communicating and corresponding with HM Revenue and Customs;</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>■ managing claims from employees.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ drafting our progress reports.</li> </ul>
Investigations/directors	<ul style="list-style-type: none"> <li>■ reviewing pre-appointment transactions.</li> <li>■ correspondence with directors regarding pre-appointment transactions and making realisations where possible.</li> </ul>

## Time costs

### SIP 9 –Time costs analysis (15/05/2018 to 14/11/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>1.10</b>	219.70	199.73
Reconciliations (& IPS accounting reviews)	<b>0.60</b>	137.00	228.33
General			
Fees and WIP	<b>1.60</b>	472.00	295.00
Statutory and compliance			
Appointment and related formalities	<b>0.20</b>	85.00	425.00

SIP 9 –Time costs analysis (15/05/2018 to 14/11/2018)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Checklist & reviews	1.60	511.00	319.38
Statutory receipts and payments accounts	0.40	86.00	215.00
Strategy documents	3.80	2,340.50	615.92
Tax			
Post appointment corporation tax	3.90	1,369.50	351.15
Post appointment VAT	8.20	2,766.00	337.32
<b>Creditors</b>			
Creditors and claims			
General correspondence	5.40	1,593.00	295.00
Statutory reports	18.20	6,456.00	354.73
Employees			
Pension funds	0.05	10.75	215.00
Pensions reviews	2.10	360.50	171.67
<b>Investigation</b>			
Directors			
Correspondence with directors	0.80	236.00	295.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	3.00	1,487.00	495.67
Debtors	1.40	413.00	295.00
Other assets	2.00	1,250.00	625.00
<b>Total in period</b>	<b>54.35</b>	<b>19,792.95</b>	<b>364.18</b>
Brought forward time (appointment date to SIP 9 period start date)	519.80	199,049.85	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	54.35	19,792.95	
Carry forward time (appointment date to SIP 9 period end date)	574.15	218,842.80	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

## Appendix 6      Glossary

<b>Company</b>	The Imaginarium Studios Limited - in Administration
<b>IMSAP</b>	The Imaginarium Studios Asia Pacific Sdn Bhd
<b>Joint Administrators/we/our/us</b>	Steve Absolom and Will Wright
<b>Jawjip</b>	Jawjip Limited
<b>New Dawns</b>	New Dawns Limited
<b>KPMG</b>	KPMG LLP

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

## Appendix 7 Notice: About this report

This report has been prepared by Steve Absolom and Will Wright, the Joint Administrators of The Imaginarium Studios Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 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.

Stephen John Absolom and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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