

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 0 8 8 5 6 7 1 1

Company name in full Blupoint Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice

Court case number 0 0 0 7 1 7 2 0 2 0

3 Administrator's name

Full forename(s) David

Surname Elliott

4 Administrator's address

Building name/number 20 Furnival Street

Street London

Post town EC4A 1JQ

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5**Administrator's name ①**

Full forename(s)

Simon

Surname

Lowes

① Other administrator

Use this section to tell us about another administrator.

6**Administrator's address ②**

Building name/number

5 Prospect House

Street

Meridians Cross

Post town

Ocean Way

County/Region

Southampton

Postcode

S O 1 4 3 T J

Country

② Other administrator

Use this section to tell us about another administrator.

7**Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

EM3 SME II

Surname

Ltd

8**Proposed liquidator's name**

Full forename(s)

David

Surname

Elliott

Insolvency practitioner number

8 5 9 5

9**Proposed liquidator's address**

Building name/number

20 Furnival Street

Street

London

Post town

EC4A 1JQ

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Simon											
Surname	Lowes											
Insolvency practitioner number	9	1	9	4								

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address^②

Building name/number	5 Prospect House											
Street	Meridians Cross											
Post town	Ocean Way											
County/Region	Southampton											
Postcode	S	O	1	4			3	T	J			
Country												

② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date	^d 3	^d 0	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1

13 Final progress report☒ I have attached a copy of the final progress report.**14** Sign and date

Administrator's signature

Signature

X 

X

Signature date

^d 1	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1
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**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 **Robert May**

Company name **CVR Global LLP**

Address **5 Prospect House**

Meridians Cross

Post town **Ocean Way**

County/Region **Southampton**

Postcode **S O 1 4 3 T J**

Country

DX

Telephone **023 8033 5888**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Blupoint Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/07/2020 To 13/01/2021 £	From 30/01/2020 To 13/01/2021 £
	SECURED ASSETS		
95,833.00	Goodwill	NIL	95,833.31
		NIL	95,833.31
	SECURED CREDITORS		
(95,833.00)	EM3 SME Finance II Limited	NIL	95,833.31
		NIL	(95,833.31)
	ASSET REALISATIONS		
	Bank Interest Gross	0.05	0.66
13,364.00	Book Debts	NIL	NIL
	Cash at Bank	NIL	21,803.54
8,797.89	Cash at Bank	NIL	NIL
30,000.00	Deferred Consideration	NIL	NIL
3,000.00	Plant & Machinery	NIL	3,000.00
NIL	Pre Payments	NIL	NIL
1.00	Sellers Records	NIL	1.00
34,717.00	Stock	NIL	10,717.00
		0.05	35,522.20
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	1,500.00
	Legal Fees (1)	NIL	3,009.50
	Legal fees (2)	NIL	44.00
	Pre Appointment Agent's Fees	NIL	4,500.00
	Pre-Appointment Legal Fees	NIL	8,300.00
	Pre-Appointment Office Holder Fees	NIL	11,915.00
		NIL	(29,268.50)
	PREFERENTIAL CREDITORS		
(15,915.40)	Employee Arrears/Hol Pay	NIL	NIL
(4,732.78)	Pension Schemes	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(6,984.00)	Bank / institutions	NIL	NIL
(9,500.00)	Directors	NIL	NIL
(179,093.62)	Employees	NIL	NIL
(29,000.00)	HM Revenue & Customs	NIL	NIL
(26,660.00)	Landlord	NIL	NIL
(101,649.36)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(201.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(283,856.27)		0.05	6,253.70
	REPRESENTED BY		
	Interest Bearing Bank Account		306.20
	Vat Receivable		5,947.50
			6,253.70

HIGH COURT OF JUSTICE

NO. 000717 OF 2020

BLUPOINT LTD (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' FINAL PROGRESS REPORT TO 13 JANUARY 2021

**David Elliott
Simon Lowes**

**CVR Global LLP
5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
023 8033 5888
rmay@cvr.global**

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

David Elliott and Simon Lowes were appointed Joint Administrators of Blupoint Ltd on 30 January 2020. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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1. EXECUTIVE SUMMARY

This report describes the progress since the last progress report dated 29 July 2020 (“the Review Period”) as well as summarising the progress of the Administration as a whole.

A summary of key information in this report is detailed below.

Asset realisations

Asset	Estimated to realise per Statement of Affairs £	Realisations to date £	Anticipated Future realisations £	Total anticipated realisations £
Goodwill	95,833	95,833	Nil	95,833
Book Debts	13,364	Nil	Nil	13,364
Cash at Bank*	8,798	21,804	Nil	21,804
Deferred Consideration	30,000	Nil	Uncertain	Uncertain
Bank Interest	Nil	1	10	11
Plant & Machinery	3,000	3,000	Nil	3,000
Pre-Payments	Nil	Nil	Nil	Nil
Sellers Records	1	1	Nil	1
Stock	34,717	10,717	Nil	10,717
Total	186,182	131,356	Uncertain	Uncertain

- The sum of £13,364 shown as cash at bank relates to book debts received prior to the date of appointment

Expenses

Expense	Estimated per Proposal's Estimated Outcome Statement £	Expense paid to date £	Anticipated further expense to closure £	Total anticipated expense £
Joint Administrators' fees	17,573	Nil	17,573	17,573
Solicitors' fees	7,000	3,009	500	3,509
Solicitors' Disbursements	Nil	44	Nil	44
Pre-Appointment Costs	25,711	24,715	946	25,661
Agents' fees	Nil	1,500	3000	4,500
Pension Specialists	360	Nil	350	350
Accounting Fees	500	Nil	Nil	Nil
All other expenses	638	Nil	638	638
Total	51,782	29,268	19,061	48,329

Dividends

Creditor class	Distribution / dividend paid to date £	Anticipated distribution/dividend, based upon the above £
Secured creditor	95,833 (100p in the £)	95,833 (100p in the £)
Preferential creditors	Nil	Uncertain
Unsecured creditors	Nil	Uncertain

No extension has been made to the Administration period to date.

1.1 Outcome of the Administration

The Company is now being moved from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix II, the Joint Administrators' approved Proposals included that, in the absence of any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators shall be appointed Joint Liquidators.

2. THE PROGRESS OF THE ADMINISTRATION

1.2 The Joint Administrators' final receipts and payments account

Attached at Appendix III is a receipts and payments account covering the period from 29 July 2020 to 13 January 2021 and for the period of the Administration to date.

In this section, we have summarised the main asset realisations during the Review Period and in the Administration as a whole and an estimation of those assets yet to be realised, together with details of the associated costs incurred. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix VII.

1.3 Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Drafting and issuing the progress report to creditors;
 - Considering whether an extension to the Administration is necessary and, if so, seeking approval for this via creditors or the court and issuing notice of the outcome;
 - Considering which exit route from Administration is appropriate and drafting this final report;
 - Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
-

- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Liaising with employees with regards to the progression of Redundancy Claims and liaising with the Redundancy Payments Office regarding the same;
- Liaising with the Administrators' solicitors and the purchaser with regards to amending the terms of the sale agreement and making further amendments to the sale agreement as detailed in the proposals; and
- Completing periodic tax returns.

1.4 Realisation of assets

Purchase of the Company's assets

As stated in the proposals, a sale of the Company's business and assets took place shortly following the Joint Administrators' appointment. The total consideration paid by the purchaser was £125,000 on completion with the sum of £24,000 to be paid on 30 April 2020.

Including with the sale of the Company's business and assets was:

- Goodwill;
- Plant & Machinery;
- Stock;
- Seller's records.

The apportionments for the sum paid for each asset are included above in Section 1.

As part of the agreement to purchase the Company's business and assets, an earn out sum ("**the Earn Out**") is also to be paid, further details of which are below.

Cash at Bank

The sum of £21,804 has been received from the Company's bankers and represents the sum that was held in the Company's account as at the date of appointment.

As stated in the proposals the Company held an outstanding book debt ledger in the sum of £13,364. It is understood that the funds received from the Company's bank include the book debts which were repaid prior to the Administrators' appointment.

Bank Interest Gross

The sum of £1 has been received which represents gross interest that has accrued on the sums held in the Administration estate account.

1.5 Estimated future realisations

Deferred Consideration

As stated above, as part of the agreement to purchase the Company's business and assets the purchaser was to make a second payment of £24,000 and was to pay the Earn Out which was to be calculated as 5% of the aggregate sales income of the purchase based on the following:

- The minimum of £10,000 and the maximum of £50,000 for the period 1 May 2020 to 30 April 2021 ("the First Period"); and
- The minimum of £20,000 and the maximum of £100,000 for the period 1 May 2021 to 30 April 2022 ("the Second Period").

However, the Joint Administrators agreed to an amendment to the sale agreement which alters the periods and quantum in relation to the Earn Out payable. By a supplementary agreement dated 4 August 2020, the second payment was to be made on 31 October 2020, the First Period has been extended to 1 August 2020 to 30 November 2021 and the Second Period has been changed to 1 December 2021 to 30 November 2022. In addition, a 10% uplift will be applied to the funds received throughout the Earn Out Periods.

The Joint Administrators have subsequently agreed a further supplementary agreement dated 26 November 2020 whereby the sum of £24,000 is due on 28 February 2021 and the first earn out period runs from 1 November 2020 to 31 March 2022 and the second earn out period runs from 1 April 2022 to 31 March 2023. In addition, the uplift in each period has been increased by 10% so that the minimum and maximum funds to be received are £11,000 and £55,000 for the first earn out period and £22,000 and £110,000 for the second earn out period.

Whilst the Joint Administrators could continue to monitor the position and take receipt of the prospective sums in due course it is felt to be in creditors interests if the Joint Liquidators in the subsequent voluntary liquidation continue to monitor the situation.

1.6 Costs incurred but remaining unpaid

The following table summarises the costs incurred during the Administration Period, but which as yet remain unpaid:

Cost Description	Amount (£)
Insolpoint	12
Indemnity Insurance	56
Statutory Advertising	87
Stationery and Postage	115
Statutory Bond	110
Pension Agents Fees	350
Legal fees	500
Agents' fees	3,000
TOTAL	1,230

During the Review Period, the Joint Administrators incurred no direct expenses but have also incurred time costs, not all of which have yet been discharged. Further details of these costs are set out in section 6 below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

The Company granted a fixed and floating charge to EM3 SME Finance II Limited on 15 August 2018, who was owed £95,833.31 on appointment. The Joint Administrators' legal advisors, SBP Law, have confirmed the validity of the charge and the following distribution has been made to EM3 SME Finance II Limited under its fixed charge:

Date	(£)
25 February 2020	95,833.31
Total	95,833.31

1.7 Preferential creditors

Preferential claims relating to unpaid holiday pay, wage arrears and unpaid pension contributions were estimated at £20,648. To date, no dividend to preferential creditors has been paid.

While it is anticipated that a distribution will be made preferential creditors the quantum and timing of the distribution is unknown. This is primarily due to the fact that any distribution will come as a result of the funds received in respect of the Earn Out as detailed in Section 2 above.

Further information will be provided to creditors in due course regarding this matter.

1.8 Unsecured creditors

Unsecured claims were estimated at £203,527. To date claims totalling £176,836 have been received from five creditors and we are still awaiting receipt of claims from 15 creditors whose claims are estimated to be valued £80,797. The Joint Administrators have not taken steps to adjudicate on the claims received to date.

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors. Given that there is no floating charge creditor in this matter, no distribution will be made from the prescribed part.

While a dividend to unsecured creditors is anticipated the timing and quantum of this dividend is dependent on the timing of future asset realisations which is currently uncertain as detailed above.

Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Gareth Ransley.

A Proof of Debt form is attached at Appendix VIII.

4. INVESTIGATIONS

1.9 Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 27 April 2020.

1.10 Initial Assessment of Potential Recoveries

In addition, the Joint Administrators reviewed all the information available to them shortly after appointment and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

The Joint Administrators can confirm that to date they have identified matters that require further attention. These matters are not contentious and form part of the Joint Administrators' investigations in the ordinary course. While it is not clear whether these investigations will be of benefit to creditors, they are necessary to discharge the Joint Administrators duties. Further information will be provided to creditors in future reports.

5. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

1.11 Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs.

These costs were approved as detailed below:

Party instructed	Amount approved (£)	Date approved
CVR Global LLP's Time Costs	11,915	27 March 2020
Agents' Costs	4,500	27 March 2020
Agents' Disbursements	946	27 March 2020
Solicitors' Costs	8,300	27 March 2020
Solicitors' Disbursements	50	27 March 2020
Total	25,711	

The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 27 March 2020 by a resolution of creditors as follows:

1. That the time properly given by them and their staff in attending to matters arising during the Administration. Such remuneration may be drawn from time to time from administration funds and capped at the sum of £17,573. In the event of a subsequent liquidation and in accordance with Rule 18.20 the basis of remuneration fixed in the Administration will apply in the liquidation. The estimate for such work is £13,088.
-

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix V and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix VI.

“A Creditors’ Guide to Administrators’ Remuneration” is available for download at <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>.

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

Comparison of estimates

The Joint Administrators’ time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

	Original fees estimate			Actual time costs incurred during the Review Period and to date		
Work category	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Blended hourly rate £ per hour	Total time costs £
Administration & Planning	13	322.31	4,190	41.2	243.75	10,042
Realisation of assets	7	327.14	2,290	19.3	353.94	6,831
Creditors (claims and distribution)	23	301.43	6,933	50.4	281.55	14,190
Investigations	12	312.50	3,750	7.1	304.23	2,160
Case Specific Matters	2	205	410	2.4	150.42	361
Total	57	308.29	17,573	97	283.71	27,378

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period and to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal costs	7,000	3,509	
Pre-appointment costs	25,711	25,711	
Pension Specialists	360	350	
Accounting Fees	500	Nil	
Advertising	160	87	

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period and to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Indemnity Insurance	56	56	
Bonding	110	110	
Insolpoint	12	12	
Document Storage	100	Nil	
HM Land Registry	50	Nil	
Category 2 Expenses			
Stationary & Postage	150	115	
TOTAL	34,209	29,950	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Appendix IV.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate has not been exceeded.

The main reasons why the fees estimate has been exceeded is primarily due to the fact that:

- The Joint Administrators expended additional time in assisting employees with regards to redundancy claims, including the reconciliation of holiday pay and the need to liaise with HM Revenue & Customs regarding tax matters;
- The Joint Administrators have expended further time in liaising with the purchaser and their solicitors in entering supplementary agreements to amend the original sale agreement; and
- Further time has been incurred by the Joint Administrators in investigating the Company's affairs, which has included a full review of the Company's books and records and a full banking review and analysis.

However, given the limited realisations in this case to date, the Joint Administrators do not propose to draw fees in excess of the fees estimate at present. The Joint Administrators will review the position as regards fees when the prospects of realising the remaining assets become clearer. In addition, and as stated above, it is the intention of the Joint Administrators to move this case to Creditors' Voluntary Liquidation as soon as possible in order to limit the amount of statutory administrative tasks required.

Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the

unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

Please note that information relevant and useful to creditors can be found at the following website, www.creditorinsolvencyguide.co.uk and <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Hard copies of these publications are available on request by contacting the Joint Administrators' office.

6. THE OUTCOME OF THE ADMINISTRATION

1.12 Comparison of the outcome with the Joint Administrators' Proposals

Attached at Appendix II is a summary of the Joint Administrators' Proposals as approved.

The Joint Administrators are now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix II, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators will be appointed Joint Liquidators. An estimated outcome statement for the subsequent liquidation is attached at Appendix IV.

If you require any further information, please contact Robert May on rmay@cvr.global. CVR Global LLP's data privacy policy can be found at www.cvr.global.



D R ELLIOTT
Joint Administrator

David Elliott and Simon Lowes were appointed Joint Administrators of Blupoint Ltd on 30 January 2020. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

BLUPOINT LTD (IN ADMINISTRATION)**STATUTORY INFORMATION**

Company Name	Blupoint Ltd
Previous Names	
Proceedings	In Administration
Court	High Court of Justice
Court Reference	000717 of 2020
Date of Appointment	30 January 2020
Joint Administrators	David Elliott & Simon Lowes
Registered office Address	C/o CVR Global LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
Company Number	08856711
Appointment by	EM3 SME Finance II Limited, who have the benefit of a qualifying floating charge

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	David Elliott and Simon Lowes of CVR Global LLP
The Company	Blupoint Ltd (in Administration)
The Court	High Court of Justice
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report: - from 29 July 2020 to 13 January 2020 and cumulatively for the period of the Administration.

BLUPOINT LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' PROPOSALS, AS APPROVED

Court: High Court of Justice No. 000717 of 2020

**Blupoint Ltd
In Administration**

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**David Elliott and Simon Lowes
Joint Administrators**

**CVR Global LLP
5 Prospect House
Meridians Cross
Ocean Way
Southampton
SO14 3TJ
02380 335 888
lburrows@cvr.global**

Disclaimer Notice

- This Statement of Proposals has been prepared by David Elliott and Simon Lowes, the Joint Administrators of Blupoint Ltd, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for Blupoint Ltd and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, CVR Global LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of CVR Global LLP are licensed in the UK to act as Insolvency Practitioners.

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- 6.** The Statement of Affairs and the Outcome for Creditors
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- 9.** Summary of the Joint Administrators' Statement of Proposals

Attachments

- A** Definitions
- B** Statutory Information and SIP16 Statement
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- D** Estimated Outcome Statement
- E** The Joint Administrators' Receipts and Payments Account to 4 March 2020

1. Introduction

- 1.1** This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2** The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3** This Statement of Proposals is being delivered to creditors on 4 March 2020. Creditors are invited to decide whether to approve the Joint Administrators' proposals. Section 8 provides further details on this decision process.

2. Background to the Company

- 2.1** The business was established on 22 January 2014 and the principal activity of the Company was the production and supply of information technology and associated services that are designed to operate in constrained environments. The Company traded from a leased premise in Northlands Road, Southampton, SO15 2LF. A detailed background to the Company can be found in the SIP 16 Statement attached at Appendix B.

Overview of Financial Information

- 2.2** Extracts from the unaudited accounts for the 12 months to 31 December 2018, 12 months to 31 December 2017, and management accounts for the period to 31 August 2019 are shown below.
- 2.3** Please note that this information has not been verified by the Joint Administrators or by CVR Global LLP.

Summary Profit and Loss Account

	Draft Management Accounts for period to 31 August 2019 £	Unaudited Financial Statements for year to 31 December 2018 £	Unaudited Financial Statements for year to 31 December 2017 £
Turnover	43,332	150,718	147,610
Cost of Sales	(190)	(21,607)	(26,865)
Gross Profit	43,142	129,111	120,745
Gross Margin %	99.56%	85.66%	81.81%
Development and Administration Charges	(300,003)	(518,545)	(672,284)
(L)/EBIT	(256,481)	(389,434)	(551,539)
Tax on loss on		73,421	31,037

ordinary activities	-		
	<u>(172,591)</u>	<u>(316,013)</u>	<u>(520,502)</u>

Source: Management/unaudited Financial Statements

Summary Balance Sheet

	Draft Management Accounts for period to 31 August 2019 £	Unaudited Financial Statements for year to 31 December 2018 £	Unaudited Financial Statements for year to 31 December 2017 £
Fixed Assets	41	723	4,336
Fixed assets	41	723	4,336
Current Assets			
stock	3,283	2,024	2,649
debtors	47,967	15,871	11,899
Cash at Bank and in Hand	57	34,162	45,922
Prepayments	267	-	-
Rent Deposit	1,855	-	-
Current	1,315	-	-
	54,744	52,057	60,470
Liabilities (within one year)			
Trade creditors	(47,914)	(45,077)	(28,330)
Other taxation	-	(19,790)	(16,550)
Accruals/deferred income	(56,915)	(1,154)	(166,915)
Secured Loan	-	48,333	-
Loans	127,447	-	-
Other	2,854	-	-
	(232,539)	(114,354)	(211,795)
Future Liabilities	(162,734)	-	-
	(395,273)	(114,354)	(211,795)
Net Assets / Liabilities	(340,488)	(300,975)	(146,989)
Capital and Reserves			
Called Up Share Capital	100,209	201	189
Share Premium	724,040	691,387	529,372
Profit and Loss Account	(1,164,737)	(992,563)	(676,550)
Shareholders' Funds	(340,488)	(300,975)	(146,989)

Source: Management/unaudited Financial Statements

Management and Employees

- 2.4** As at 30 January 2020, the Company employed a single member of staff, being the remaining director of the Company. However, the remaining director was made redundant on 12 February 2020.
- 2.5** Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

3. Events leading to the Administration

- 3.1** On 30 January 2020, David Elliott and Simon Lowes of CVR Global LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by EM3 SME Finance II Limited who have the benefit of a qualifying floating charge.
- 3.2** The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.
- 3.3** For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

4. The Purpose of the Administration

- 4.1** The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2** These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 4.3** The Joint Administrators would comment that rescuing the Company as a going concern was not possible as no party was willing to invest in the Company in its current form. For the same reasons, it was also not considered possible to restructure the business and propose a Company Voluntary Arrangement. As such, the primary objection of rescuing the Company as a going concern was not possible in this case.
- 4.4** The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Joint Administrators would comment that the Administration has enabled a sale of the business and assets to be achieved. This sale has resulted in a higher return and better outcome than if the Company's assets were sold throughout a liquidation process.

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

5. Management of the Company's Affairs since the Joint Administrators' Appointment

- 5.1 Immediately upon appointment the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

- 5.2 A pre-pack sale was undertaken and the information relating to this sale is attached at Attachment B.

Sales to connected parties

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

- The transaction was completed on 26 February 2020.
- The sale, which was completed by means of a sale agreement, included the following assets:
 - Goodwill (to include the Business Intellectual Property Rights);
 - Plant and Machinery;
 - Seller's Records; and
 - Stock
- The initial sale consideration totalled £133,551, of which £109,551 was to be received on or before completion with the remaining balance being received by close of business on 30 April 2020. The sale agreement also included a provision for a contribution from future income sum to be paid. This is to be calculated as 5% of the aggregate sales income as disclosed in the VAT of the purchaser for:
 - 1 May 2020 to 20 April 2021 ("the first period"); and
 - 1 May 2021 and 30 April 2022 ("the second period")

The contribution from future income sum payable after the first period shall be subject to a minimum of £10,000 and a maximum of £50,000 and the contribution from future income sum after the second period shall be subject to a minimum of £20,000 a maximum of £100,000. Therefore, the total minimum consideration will be £163,551.

- The purchaser was Northlands Solutions Limited.

- The purchaser is connected to the Company by reason of the following relationship: the current director, Prof. Mike Santer and a former director, Mr Peter Dingley, of the Company are directors of the purchaser, Northlands Solutions Limited.
- The Company was advised by SBP Law.
- As far as the Joint Administrators are aware, the purchaser was independently advised.

5.4 As detailed in the SIP16 Report, Northlands Solutions Limited expressed an interest in purchasing the Company's business and assets through a pre-pack sale. Northland Solutions Limited is connected with the Company as it shares a common directorship in Prof. Michael Howard Santer who was a director of the Company and Mr Peter Dingley, who was a former director of the Company.

5.5 The Joint Administrators had instructed Lambert Smith Hampton ("LSH"), who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available. Therefore, Northlands Solutions Limited was invited to contact LSH direct to progress their interest. LSH weighed up the advantages of a swift sale, which would avoid the ongoing costs of marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. LSH concluded that, of the offers received, Northland Solutions Limited's offer was very likely to represent the best net realisation for the assets and they recommended to the Joint Administrators that the offer be accepted.

Details of the marketing strategy employed by LSH including details of offers received and Non-Disclosure Notices issued are detailed below in Attachment B.

5.6 Consequently, the Company's assets, as detailed above, were sold to Northland Solutions Limited on 26 February 2020 for £133,551 (exclusive of any VAT), plus a contribution from future income of a minimum of £30,000 and a maximum of £150,000.

Assets remaining to be realised

Book Debts

5.7 As part of the sale of the business and assets, it was originally proposed that the book debts also be purchased by NSL. However, as the main debt was paid shortly after the appointment of the Administrators this was discounted. The balance of any debtors is considered uncollectable.

Cash at Bank

On the Joint Administrators' appointment, it was established that a sum of cash was held in the Company's bank. It is believed that this sum totals £8,798. It is understood that the monies held in the Company's account will be remitted to the Administration estate account shortly. In addition, the above book debts were paid into the Company's bank account.

Deferred Consideration

The sale agreement also included a provision for a contribution from future income to be paid. This is to be calculated as 5% of the aggregate sales income as disclosed in the VAT returns of the purchaser for:

- 1 May 2020 to 20 April 2021 (“the first period”); and
- 1 May 2021 and 30 April 2022 (“the second period”)

The contribution from future income payable after the first period shall be subject to a minimum of £10,000 and a maximum of £50,000 and the contribution from future income sum after the second period shall be subject to a minimum of £20,000 a maximum of £100,000.

The Joint Administrators will monitor this position and take receipt of the deferred consideration in due course.

Post appointment strategy

Immediately following the appointment of the Joint Administrators on 30 January 2020, the offer received from Northlands Solutions Limited for the Company’s business and assets was accepted and steps were taken to prepare and issue a sale and purchase agreement. This was eventually agreed with the purchaser and on 26 February 2020 the sale was completed.

- 5.8** The Joint Administrators’ staff are in the process of collating creditors’ claims and have handled creditors’ queries as they have arisen which include telephone calls and correspondence.
- 5.9** The Joint Administrators’ legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters.
- 5.10** The company operated from a serviced office based in Northlands Road, Southampton, SO15 2LF, however we were advised that the rental agreement was not held in the Company’s name.
- 5.11** To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed SBP Law, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.12** In addition, Lambert Smith Hampton, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal. Further information regarding the actions undertaken by LSH are included in Attachment B.
- 5.13** All professional fees are based upon the parties’ recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators’ staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

- 5.14** The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 5.15** Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcome for Creditors

- 6.1** The Director has not, to date, submitted a signed Statement of Affairs, albeit they have been given notice to provide one. An Estimated Financial Statement of the Company, together with a list of the creditors, is attached at Attachment C for creditors' information. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.
- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3** The Joint Administrators have not carried out any work of the nature of an audit on the information.

Secured creditors

- 6.4** The Company's debt to EM3 SME Finance II Limited, in their capacity as qualifying floating charge holder, at the date of the appointment of the Joint Administrators, and as set out in the Statement of Affairs, can be summarised as follows:

	£
Fixed and Floating Charge	95,833
TOTAL	95,833

The charge is secured by way of a debenture dated 15 August 2018.

- 6.5** The anticipated recovery to the secured creditor is shown on the Estimated Outcome Statement at Attachment C. It will be noted they have been paid in full under their fixed charge on the Goodwill shortly after completion of the sale.

Preferential claims

- 6.6** Preferential claims relating to employee deductions are expected to be paid by the Redundancy Payments Office ("RPO") who will have a corresponding preferential claim against the Company. Additionally, supplementary claims from the employees are anticipated where sums due are in excess of statutory limits imposed by the RPO. These are likely to be in the region of £15,915 as shown in the Estimate Outcome Statement at Attachment C.

- 6.7** A claim for unpaid pension contributions is also anticipated and believed to be in the region of £4,733. However, this claim is yet to be quantified.
- 6.8** Section 176A of the Act requires Administrators to make a prescribed part of the Company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.9** From the Statement at Attachment D, you will note that the net property is estimated to be £6,454. Given that the net property of the Company is estimated to be below £10,000 the prescribed part will not apply in this matter. Please note that the net property figures and associated costs can only be estimated at this stage and therefore the value of the prescribed part is only an estimate and is subject to change.
- 6.10** As demonstrated in the Estimated Outcome Statement attached at Attachment D, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be sufficient funds to pay a dividend to preferential creditors.
- 6.11** Attached at Attachment D is the Joint Administrators' receipts and payments account for the period from 30 January 2020 to 4 March 2020.

Unsecured Creditors

- 6.12** As demonstrated in the Estimated Outcome Statement attached at Attachment E, on the basis of time costs incurred to date and estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be sufficient funds to pay a dividend to unsecured creditors. Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report. A Proof of Debt form is provided in the document to which this forms an appendix.
- 6.13** Attached at Attachment D is the Joint Administrators' receipts and payments account for the period from 30 January 2020 to 4 March 2020.

7. The Joint Administrators' Fees

- 7.1** The Joint Administrators propose to be remunerated on the basis of the time properly given by them and their staff in attending to matters arising during the Administration. Such remuneration may be drawn from time to time from administration funds and capped at the sum of £17,573. In the event of a subsequent liquidation and in accordance with Rule 18.20 the basis of remuneration fixed in the Administration will apply in the liquidation. The estimate for such work is £13,088.
- 7.2** The Joint Administrators will seek approval for the basis of their fees from the unsecured creditors, unless a Creditors' Committee is established.
- 7.3** Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

- 8.1** The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of the process set out in Rule 15.7 (Deemed

Consent) of the Rules.

- 8.2** Attached to the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix, is a Notice Seeking Deemed Consent, which describes how creditors may object to the acceptance of the Statement of Proposals or to the other proposed decisions.
- 8.3** Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.
- 8.4** Unless the Joint Administrators receive the requisite number of objections to the proposed decision to approve the Statement of Proposals or of requests to convene a physical meeting as set out in the Notice, creditors will have deemed to have consented to approve the Statement of Proposals.

9. Summary of the Joint Administrators' Proposals

9.1 The Statement of Proposals which creditors are invited to consider, is summarised below.

9.2 The Joint Administrators' proposals are:

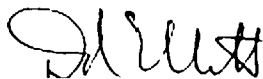
- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's assets at such time(s) and on such terms as they consider appropriate and that they collect the deferred sale consideration in relation to the sale of the Company's business and assets;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the

Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, David Elliott and Simon Lowes will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or

- (ii) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
- (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, David Elliott and Simon Lowes may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

For all other information, please contact the Joint Administrators' office using the details found above.

Dated this 4 March 2020



D R ELLIOTT
Joint Administrator

David Elliott and Simon Lowes were appointed Joint Administrators of Blupoint Ltd on 30 January 2020. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

DEFINITIONS

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	David Elliott and Simon Lowes
The Company	Blupoint Ltd (in Administration)
The Court	High Court of Justice
Court Reference	000717 of 2020
EBIT	Earnings before interest and tax
FY20	Financial year ended 2020
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Blupoint Ltd (IN ADMINISTRATION)**STATUTORY INFORMATION**

Company Name	Blupoint Ltd
Previous Name(s)	N/a
Trading Name(s)	Blupoint
Proceedings	Administration
Court	High Court of Justice
Court Reference	000717 of 2020
Date of Appointment	30 January 2020
Joint Administrators	David Elliott and Simon Lowes of CVR Global LLP 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
Registered office Address	c/o CVR Global LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
Company Number	08856711
Incorporation Date	22 January 2014
Company Secretary	N/a
Appointment by	EM3 SME Finance II Limited as Qualifying Floating Charge Holder
Directors at date of Appointment	Prof. Michael Howard Santer
Directors' Shareholdings	335,400 (being 38%)

Blupoint Ltd – In Administration (“the Company”)

Disclosure requirement in accordance with Statement of Insolvency Practice 16 (“SIP 16”)

Introduction

The Company was incorporated on 22 January 2014 and was a spin out from the Electronics and Computer Science Department of the University of Southampton. The spin out was based on PhD and subsequent research previously undertaken by Adj. Prof. Mike Santer. The Company was formed to address the issue of equitable access to digital information and services and its primary undertaking was to produce a product, solution and associated services that would provide low powered servers that were able to work in constrained environments. The founding parties believed that this was a compelling driver in merging economic markets and particularly attractive to customers wanting to reach people living in remote and difficult locations.

The Company traded from a leased premise at Northlands Road, Southampton. The lease on the premises was held in the name of Green Park Solutions T/a Obsidian (“Obsidian”) and the Company occupied the premises under an informal arrangement with Obsidian.

Initially the Company was funded by a grant of £500,000 obtained in August 2015 from Innovate UK, the British government’s innovation arm. This was followed by receipt of further funds obtained from rounds of Angel investor funding namely, £302,162 in February 2016 and £562,006 over a further six rounds of funding. In addition, the Company obtained a loan in August 2018 in the sum of £125,000 from FSE Group, operating under the M3 Local Enterprise Partnership. The loan is secured against the assets of the Company by way of a debenture with personal guarantees being given by the original directors partially covering the outstanding amount.

The Company has been further developed through funded pilot programmes, bespoke content and development projects.

The Company initially appointed three directors being: Peter Dingley, Steve Bedford and Mike Santer. All three directors worked on the business model and in early 2015 market research was undertaken to establish the commercial viability of the Company’s concept. The initial grant received from Innovate UK was used to commercialise the research.

In early 2019 Steve Bedford resigned as C.E.O due to ill-health. This was followed by the retirement of Peter Dingley as C.E.O at the end of June 2019. In May 2019, Martin Gillard and Michael Webster, through their management organisation Obsidian, were appointed by the board and shareholders as C.E.O and Commercial Director under a six-month management contract. The management contract between Obsidian and BluPoint was not renewed after the initial 6-month period.

The Company was managed on a day to day basis by Prof. Santer and Peter Dingley until his retirement in June 2019 and the maximum number of employees was 14.

Initially, the Company concentrated on developing the software and hardware element of the solution and began to run pilot projects. The first pilot projects were done with Warwick in Tanzania, Africa, and Dixon Carphone in 12 schools across South Africa. Additional commercial projects followed with additional projects being undertaken, notably with Canon across sub-Saharan Africa; in Ethiopia with a local NGO funded by Comic Relief; and in Cambodia in a prosthetic and orthotic clinic. The Company’s largest contract came as a result of discussion which began in early 2019 with the International Committee of the Red Cross (“ICRC”). These discussions secured a project for the sale of 54 ‘Bluhubs’. This order has not yet been completed.

However, despite the success of the various projects detailed above, the Company had a number of conversations with partners and customers in Kenya, Saudi Arabia and the United States that did not result in successful contracts.

The intention of the Company was to move to a version 2.0 of the hardware initially being used. This was primarily to reduce costs; however sufficient funding was never obtained to facilitate this upgrade. The Company moved to a model of selling hardware together with a software subscription and this is the basis of its sales to ICRC and Canon. However, the cost of the hardware was still prohibitive at scale, and the Company started to look at moving from the CAPEX model to an OPEX model.

Due to the above, the Company was not able to facilitate large scale projects and the director of the Company believed that this was primarily due to:

- The cost of hardware was too prohibitive and front loaded;
- The Company's financial position was not strong enough;
- Due to the risks in early stage developments, the mainstream technology adoption was not high enough; and
- The Company's domestic support for development, maintenance and technical support was not strong enough.

The Company's primary issue was that it has principally relied on an appropriate level of funding. As a result of this, the directors of the Company did not draw a salary for almost two years. When funding became even more limited, the Company attempted to reduce costs and was forced to almost halve its development team.

By the time that Obsidian was appointed by the board and shareholders under a six-month management contract, the Company's employees totalled four plus Prof. Santer. We have been advised that the six-month engagement was for the Obsidian team to work with BluPoint as a part time in-house management team to:

- objectively assess business models and marketplace alignment;
- prepare investment grade documentation including a 3-year financial model;
- prepare a pitch Deck presentation along with an Investor Executive Summary and full Investment Memorandum;
- Identify and approach investment sources and represent the company in the any investment related discussions and negotiations;
- provide strategic guidance and assistance on the current routes to market, and how to improve the sales pipeline in general;
- provide strategic guidance to drive increased sales and revenues through the business in line with the agreed financial model;
- provide advice and guidance on pricing, commercial contract discussions and negotiations;
- provide ongoing day to day assistance with the management of the business;
- research the company's current marketing strategy;
- advise on strategic direction and implement accordingly; and
- provide guidance on the legal and operational structures of the company to enable it to grow effectively through its varying growth stages.

Given the financial position of the Company, it was stressed to Obsidian that raising finances was the primary focus, however the company was unable to raise sufficient funding and staff salaries were not paid for 2 months, with the unsecured creditor position also deteriorating.

The entire development team resigned, with the last team member departing in December 2019, leading to difficulty in servicing existing contracts.

Pre-appointment matters

The extent of the Administrator's involvement prior to appointment

The Joint Administrators were approached by the secured lender and asked to contact the directors on 3 December 2019. Following this initial introduction, David Elliott of CVR Global LLP first met with the directors on 4 December 2019 to provide insolvency advice to the company.

Following the introduction to the Company in December 2019, it was quickly concluded that given the circumstances being reported, the only viable option was to instigate Administration proceedings in the hope of preserving the business and maximising the outcome for all stakeholders.

In the initial role as advisor, advice was provided on the options available to the company. CVR Global LLP acted for the company and the directors were advised to seek their own independent legal advice regarding their position as officers of the company and personally.

As proposed administrators, steps were taken to instruct agents to value and market the business and assets for sale with a view to securing a pre-pack sale of the business and assets. There was a constant dialogue with the agents with regard to interest and offers received. The proposed administrators also sought advice from the agents on the offers received including their recommendation on which should be proceeded with. Solicitors were also instructed to deal with the appointment of the proposed administrators (being made by the secured lender) and to start drawing up an asset sale agreement to conclude a sale. Work was also started on this disclosure to creditors.

As administrators, the sale has been concluded and all statutory duties undertaken including notifications of appointment, finalising this disclosure and draft their proposals.

Alternative courses of action that were considered by the Administrator

Obsidian had issued demand for repayment of the sums they had loaned to the Company and had appointed solicitors to seek repayment. The solicitors had advised that legal action was due to be taken and had stated that they had been given instructions to issue a winding up petition. If a winding up order had been made, then it was considered that the ability to market the business for sale would have been lost and the potential value of goodwill would have been significantly, if not totally, eroded. Therefore, steps needed to be taken to protect the assets of the company and allow time for the maximum sum to be realised from those assets. The financial position of the company was discussed with the director and we were advised that the Company had no ready funds to support cash flow and had no access to funding to allow trading to continue. The one remaining staff member, other than the director, had left the company and there did not appear to be any way that the ongoing obligations of the company to customers could be continued. It was considered that administration was likely to allow the Company a period of time during which to market the assets, whilst also providing protection against any recovery actions by creditors. It was identified that an appointment by the director could not be made, as there were insufficient directors appointed under the Company's Articles.

Accordingly, the secured lender was approached, and they agreed to make the appointment. The solicitors acting for Obsidian were also approached and advised of the proposed course of action to be taken. Prior to the Christmas break, Lambert Smith Hampton were instructed to market the

business for sale. A summary of the results of this marketing and the subsequent actions is given in the section below.

The following options were initially considered but these were discounted for the following reasons:

Creditors Voluntary Liquidation (“CVL”)

- The board didn’t have sufficient members and therefore authority to resolve to take this course of action;
- There was a risk of a petition to wind the company up being present and there would have been no protection from creditors while a CVL was pursued (if a way around the board deficiencies could be found) and in any event, due to the board deficiencies, this was likely to be a protracted process;
- The secured creditor was keen to take control and would not be able to do this in a CVL scenario;
- The Company will cease to trade;
- Any value attributed to brand names or goodwill will be diminished and likely be of nil value;
- In a CVL scenario assets of the Company will ordinarily be sold on an ex-situ basis which will realise less than in an Administration scenario; and
- Bad debts are ordinarily written off.

Company Voluntary Arrangement (“CVA”)

- The board didn’t have sufficient members and therefore authority to resolve to take this course of action;
- The Company had no funding with which to continue its operations;
- Investors would not invest further in company, they had made it clear that any further investment would be through a new venture only;
- A CVA is in effect for a prolonged period of time, usually between the period of three to five years;
- The return to creditors are delayed as distributions to creditors are dictated by the terms of the arrangement;
- Obtaining stakeholder and creditor agreement can be difficult;
- Secured creditors are not bound by the arrangement; and
- Failure of the CVA will ordinarily result in the Company entering formal Liquidation proceedings.

It was therefore concluded that an Administration process should be initiated with the purpose of achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration). This was primarily to preserve goodwill and enhance the asset realisations for the benefit of creditors as a whole.

Efforts made to consult with major creditors or representative creditors

The major creditor apart from the current and former director, is Obsidian. They were advised of the course of action being taken and also the marketing of the assets of the business. Solicitors acting on behalf of Obsidian were advised of the initial deadline for submitting offers and requested that further time be allowed as their client wished to submit an offer. Subsequently, Obsidian were further involved in the bidding process and were advised of the final deadline of 23 January 2020 for submitting offers. They did submit their revised offer on 23 January 2020 and have therefore been aware of the steps being taken throughout the last month.

Trading the business and offering as a going concern

The prospect of trading post appointment was not deemed to be a feasible alternative due to the costs and risks associated with this course of action, together with the lack of any funding to allow trading to be undertaken. This scenario may have further damaged the value of goodwill where the resultant outcome for creditors would have been diminished.

Requests made to potential funders

No requests for funders were made by the Joint Administrators because this course of action was not deemed relevant in these circumstances.

Registered charges

As stated above, a debenture granting fixed and floating charges in favour of EM3 SME Finance II Limited was created on 15 August 2018 and registered at Companies House on the same date.

Prior acquisition of the business or assets from an IP

There has not been any previous acquisition of the business or assets from an Insolvency Practitioner.

Marketing of the business and assets

As noted above, Lambert Smith Hampton ("LSH") were instructed on 9th December 2019 to value and market the assets for sale. A business for sale memorandum was prepared and this was posted on LSH's website prior to the Christmas break and circulated to all parties on LSH's business buyers and general buyers data bases totalling some 20,000 parties. In addition, it was listed on LSH's business for sale section of LSH's web page and marketed through LSH's social media outlets of Twitter, Instagram and LinkedIn. In addition major charitable groups were contacted who could have been interested such as Bill Gates Foundation and Google Foundation and also the memorandum was also listed on iPbid.com.

This marketing exercise resulted in 21 requests for a non-disclosure agreement, of which 13 were returned, with information being supplied.

The initial deadline for bids was set for close of business on 9th January 2020 and 2 parties spoke directly to management before this deadline. A request was received from Obsidian for this deadline to be extended to allow them to submit an offer. Subsequently a further deadline of 23rd January 2020 was set for final offers.

The business was sold to Northlands Solutions Limited for an initial consideration of £133,551, which could rise to £283,551 dependant on results. This proceeded following a recommendation from LSH.

The marketing strategy employed maximised exposure of the Company's business and assets to the known market and potential purchasers. Potential purchasers were provided sufficient time to make enquiries with the Company and the Joint Administrators and were able to sufficiently assess the value and potential acquisition of the Company's business and assets. This is evidenced by the number of expressions of interest and the number of requests for non-disclosure agreements and further information. As such, the Joint Administrators believe that the marketing strategy employed was the most effective and appropriate given the circumstances.

Valuation of the business and assets

Name, qualification and independence of the valuer

Chris Buller of LSH is a member of the Royal Institute of Chartered Surveyors ("RICS") and a RICS Registered valuer. They have confirmed their independence and have adequate professional indemnity insurance. Chris Buller is experienced in valuing the nature of types of assets involved.

Chris Buller recommended acceptance of the offer for the business assets received from Northlands Solutions Limited, which has a minimum value of £133,551 and a maximum of £283,551, depending on results achieved by the purchaser. This figure significantly exceeds the in-situ and break up values of the assets.

Valuations obtained

Date of valuation	Asset type	Going concern £	Forced sale £
11 December 2019	Office IT Equipment	50	Nil
11 December 2019	Stock	25,000	2,000
11 December 2019	Intellectual Property Rights	25 – 50,000	Speculative

Summary of the basis of valuation

The assets were valued on a going concern and ex situ basis (please see above).

Rationale for the basis of valuation

The ex situ / forced sale forced sale value provides an indication of the lowest realisation possible and is based on the business ceasing to trade. However, the going concern value represents a higher achievable value based on assets being sold as a whole and the business activity continuing. They are used to gauge the acceptability of offers received.

How the Administrator was satisfied as to the value of the assets, where no valuation was obtained

Not applicable.

The Transaction

The date of the transaction

26 February 2020.

Purchaser and related parties

Identity of the purchaser

Northlands Solutions Limited

Any connection between the purchaser and the directors, shareholders or secured creditors of the company or their associates

The director of the Company, Prof. Mike Santer, and Peter Dingley, a former director, are also directors of the purchaser, Northlands Solutions Limited.

Names of any directors, or former directors (or their associates), of the company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity into which any of the assets are transferred

Prof. Michael Santer and Peter Dingley are directors of the purchaser.

Transactions impacting on more than one related company

Not applicable.

Whether any directors had given personal guarantees for amounts due from the companies to a prior financier, and whether that financier is financing the new business

Michael Santer, Peter Dingley and Steven Bedford have provided personal guarantees to EM3 SME Finance II Limited. The Joint Administrators have been advised that EM3 SME Finance II Limited have provided funding to the purchaser but at a lower level than the current lending.

Assets and sale consideration

Details of the assets involved and nature of the transaction, asset categories and charge type, where applicable

Asset type	Consideration £	Allocation of Asset (Charge)
Goodwill	95,833	Fixed
Plant & Machinery	3,000	Floating
Stock	34,717	Floating
Sellers Records	1	Floating
	133,551	

The allocation of the sale proceeds was agreed with the purchaser and formally set out in the sale agreement.

Consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration

The total consideration payable by the purchaser is a minimum of £133,551 and a maximum of £163,551. This sum is payable by way of the following:

- £109,551 paid on or before completion; and
- £24,000 to be paid by close of business on 30 April 2020.

In addition, a contribution from future income sum is to be paid and to be calculated as 5% of the aggregate sales income as disclosed in the VAT records of the purchaser for the following periods:

- 1 May 2020 to 30 April 2021 (“the first period”); and
- 1 May 2021 and 30 April 2022 (“the second period”)

The contribution from future income sum payable after the first period shall be subject to a minimum of £10,000 but subject to a maximum of payable sum of £50,000.

The contribution from future income sum payable after the second period shall be subject to a minimum of £20,000 but subject to a maximum of £100,000.

Any options, buy-back agreements, deferred consideration or other consideration attached to the transaction

Not applicable.

Details of any security taken by the administrator in respect of any differed consideration,

Not applicable.

If the sale was part of a wider transaction, a description of the other aspects of the transaction

The sale is not part of a wider transaction.

Pre-pack pool

The directors of the Company were advised of the pre-pack pool however no decision was made by them to approach it for an opinion.

Viability statement

A viability statement was requested but not received. It is understood that financial forecasts were provided to the secured lender and investors to support a request for new borrowing and investment, but these were not made available to the administrators.

Blupoint Ltd Blupoint Ltd (IN ADMINISTRATION)**ESTIMATED STATEMENT OF AFFAIRS AS AT 30 JANUARY 2020 AND CREDITORS' DETAILS**

Insolvency Act 1986

Blupoint Ltd

Estimated Statement Of Affairs as at 30 January 2020

	Book Value £	Estimated to Realise £	£
ASSETS			
Goodwill		95,833.00	
EM3 SME Finance II Limited		(95,833.00)	
		NIL	NIL
Plant & Machinery			3,000.00
Stock	43,282.94		34,717.00
Book Debts	15,859.50		13,364.00
Sellers Records			1.00
Cash at Bank	8,797.89		8,797.89
Pre Payments	171.00		NIL
Deferred Consideration			30,000.00
			89,879.89
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Arrears/Hol Pay		15,915.40	
Pension Schemes		4,732.78	
			20,648.18
			69,231.71
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			69,231.71
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			69,231.71
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			69,231.71
Estimated prescribed part of net property where applicable (brought down)			NIL
			69,231.71
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		101,649.36	
Employees		179,093.62	
Directors		9,500.00	
HM Revenue & Customs		29,000.00	
Landlord		26,660.00	
Bank / institutions		6,984.00	
			352,886.98

Insolvency Act 1986

Blupoint Ltd

Estimated Statement Of Affairs as at 30 January 2020

	Book Value	Estimated to Realise
	£	£
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(283,655.27)
		(283,655.27)
Issued and called up capital		
Ordinary Shareholders	201.00	201.00
TOTAL SURPLUS/(DEFICIENCY)		(283,856.27)

Blupoint Ltd
Company Creditors

Key	Name	Address	£
CA00	AWS	1 Principal Place, Worship Street, London, EC2A 2FA	1.00
CB00	Barclaycard Commercial	PO Box 4000, Saffron Road, Wigston, LE18 9EN	6,984.09
CC00	Companies House	Crown Way, Cardiff, CF14 3UZ	1.00
CD00	D Young & Co	Briton House, Briton Street, Southampton, SO14 3EB	31,795.02
CD01	DHL International (UK) Limited	Southern Hub, Unit 1, Horton Road, Cainbrook, Berkshire, SL3 0BB	1.00
CG00	Green Park House Solutions Ltd	Flat 4, 4-6 George Street, Richmond, Surrey, TW9 1JY	53,825.54
CG01	City Hall Investments Ltd	Flat 4, 4-6 George Street, Richmond, Surrey, TW9 1JY	26,660.00
CG02	Google	Google Ireland Limited, Gordon House, Barrow Street, Dublin 4, Ireland	1.00
CH00	HM Revenue & Customs	Benton Park View, ICHU, Newcastle upon Tyne, NE98 1ZZ	29,000.00
CI00	ICRC	19, Avenue de la Paix, 1202 Geneva, Switzerland	1.00
CM00	Moore Blatch	Gateway House, Tollgate, Chandler's Ford, Eastleigh, SO53 3TG	2,400.00
CM01	Mike Santer	55 Lingwood Close, Chilworth, Southampton, SO16 7GD	9,500.00
CM02	Microsoft	Microsoft Ireland Operations Ltd, One Microsoft Place, South County Business Park Leopardstown, Dublin 18, D18 P521	1.00
CN00	New Forest Enterprise Centre Ltd	Chapel Lane, Totton, Southampton, SO40 9LA	1,125.80
CN01	Net Primates	Totton, Southampton, SO40 9LA	1.00
CS00	Southampton University	Finance Department, University of Southampton, Highfield Campus, Southampton, SO17 1BJ	12,000.00
CS01	STI	Osborn Way, Hook, Hampshire, RG27 9HX	1.00
CT00	The Trans Group	64 Wilton Road, Southampton, SO15 5JN	495.00
CT01	The FSE group	Riverside House, 4 Meadows Business Park, Station Approachr, Surrey, GU17 9AB	95,833.31
19 Entries Totalling			269,626.76

BLUPOINT LIMITED
SCHEDULE OF SECURED CREDITORS

Secured Creditors

Secured creditor's name and address	Amount of claim (£) (estimated)	Details of security	Date security was given	Value of security (£) (per Statement of Affairs)
EM3 SME Finance II Limited	95,833	Equitable Charge (Contains a fixed and floating charge)	15 August 2018	95,833

Special Creditor Groups

Creditor Group	Number of creditors in group	Total amount of claims (£) (estimated)
Employees and former employees	8	195,009
Consumers claiming amounts paid in advance for the supply of goods and services	Nil	Nil

Blupoint Ltd Blupoint Ltd (IN ADMINISTRATION)**THE JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT****(IN ADMINISTRATION)**

	To date £	Future £	Total £
ASSETS SUBJECT TO FIXED CHARGE			
Goodwill	95,833	-	95,833
Fixed charge - EM3 SME Finance II Limited	- 95,833	-	- 95,833
Estimated deficiency as regards EM3 SME Finance II Limited	-	-	-
FLOATING CHARGE ASSETS			
Plant & Machinery	3,000	-	3,000
Stock	10,717	24,000	34,717
Book Debts	-	13,364	13,364
Sellers Records	1	-	1
Cash at Bank	8,798	-	8,798
Pre Payments	-	-	-
Earn Out Income	-	30,000	30,000
	22,516	67,364	89,880
Costs of Administration - floating charge			
Pre-Administration fees	-	25,711	- 25,711
Joint Administrators' fees	-	17,573	- 17,573
Joint Liquidators' fees	-	13,088	- 13,088
Solicitors	-	7,000	- 7,000
Pension agent	-	360	- 360
Accounting fees	-	500	- 500
Other expenses	-	638	- 638
	-	64,870	- 64,870
Surplus / (deficiency) available to preferential creditors			25,010
Preferential creditors			- 20,647
Net property			4,363
Prescribed part			n/a
Surplus / (deficiency) available to floating charge			4,363
Floating charge b/d EM3 SME Finance II Limited			-
Surplus to floating charge			4,363
Prescribed part b/d			n/a
			4,363
Unsecured creditors			- 352,887
Shortfall to unsecured creditors			- 348,524
Ordinary shareholders			- 201
Estimated total shortfall			- 348,725

Blupoint Ltd Blupoint Ltd (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 4 MARCH 2020

Blupoint Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/01/2020 To 04/03/2020 £	From 30/01/2020 To 04/03/2020 £
	SECURED ASSETS		
95,833.00	Goodwill	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(95,833.00)	EM3 SME Finance II Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
13,364.00	Book Debts	NIL	NIL
8,797.89	Cash at Bank	NIL	NIL
30,000.00	Deferred Consideration	NIL	NIL
3,000.00	Plant & Machinery	NIL	NIL
NIL	Pre Payments	NIL	NIL
1.00	Sellers Records	NIL	NIL
34,717.00	Stock	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(15,915.40)	Employee Arrears/Hol Pay	NIL	NIL
(4,732.78)	Pension Schemes	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(6,984.00)	Bank / institutions	NIL	NIL
(9,500.00)	Directors	NIL	NIL
(179,093.62)	Employees	NIL	NIL
(29,000.00)	HM Revenue & Customs	NIL	NIL
(26,660.00)	Landlord	NIL	NIL
(101,649.36)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(201.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(283,856.27)		NIL	NIL
	REPRESENTED BY		
			NIL

BLUPOINT LTD (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT

Statement of Affairs £		From 30/07/2020 To 13/01/2021 £	From 30/01/2020 To 13/01/2021 £
	SECURED ASSETS		
95,833.00	Goodwill	NIL	95,833.31
		NIL	95,833.31
	SECURED CREDITORS		
(95,833.00)	EM3 SME Finance II Limited	NIL	95,833.31
		NIL	(95,833.31)
	ASSET REALISATIONS		
	Bank Interest Gross	0.05	0.66
13,364.00	Book Debts	NIL	NIL
	Cash at Bank	NIL	21,803.54
8,797.89	Cash at Bank	NIL	NIL
30,000.00	Deferred Consideration	NIL	NIL
3,000.00	Plant & Machinery	NIL	3,000.00
NIL	Pre Payments	NIL	NIL
1.00	Sellers Records	NIL	1.00
34,717.00	Stock	NIL	10,717.00
		0.05	35,522.20
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	1,500.00
	Legal Fees (1)	NIL	3,009.50
	Legal fees (2)	NIL	44.00
	Pre Appointment Agent's Fees	NIL	4,500.00
	Pre-Appointment Legal Fees	NIL	8,300.00
	Pre-Appointment Office Holder Fees	NIL	11,915.00
		NIL	(29,268.50)
	PREFERENTIAL CREDITORS		
(15,915.40)	Employee Arrears/Hol Pay	NIL	NIL
(4,732.78)	Pension Schemes	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(6,984.00)	Bank / institutions	NIL	NIL
(9,500.00)	Directors	NIL	NIL
(179,093.62)	Employees	NIL	NIL
(29,000.00)	HM Revenue & Customs	NIL	NIL
(26,660.00)	Landlord	NIL	NIL
(101,649.36)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(201.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(283,856.27)		0.05	6,253.70
	REPRESENTED BY		
	Interest Bearing Bank Account		306.20
	Vat Receivable		5,947.50
			6,253.70

BLUEPOINT LIMITED (IN ADMINISTRATION)**Liquidation Estimated Outcome Statement**

	To date £	Future £	Total £
FLOATING CHARGE ASSETS			
Plant & Machinery	3,000.00	-	3,000
Stock	10,717.00	24,000	34,717
Book Debts	-	-	0
Sellers Records	1.00	-	1
Cash at Bank	21,804.00	-	21,804
Pre Payments	-	-	0
Bank Interest (Gross)	1.00	10	11
Earn Out Income *	-	33,000	33,000
	<u>35,523.00</u>	<u>57,010</u>	<u>92,533</u>
Costs of Administration - floating charge			
Pre appointment Costs	(24,715.00)	(946)	(25,661)
Joint Administrators' fees	-	(17,573)	(17,573)
Solicitors	(3,053.00)	(400)	(3,453)
Agents Fees	(1,500.00)	(3,000)	(4,500)
Pension agent	-	(350)	(350)
Other expenses	-	(380)	(380)
	<u>(29,268.00)</u>	<u>(22,649)</u>	<u>(51,917)</u>
Joint Liquidators' fees	-	(13,088)	(13,088)
Solicitors' fees		(1,000)	(1,000)
Bonding		(110)	(110)
Stationary and Postage		(115)	(115)
Advertising		(160)	(160)
		<u>(14,473)</u>	<u>(14,473)</u>
Surplus / (deficiency) available to preferential creditors			26,143
Preferential creditors			<u>(20,647)</u>
Net property			5,496
Prescribed part			<u>n/a</u>
Surplus / (deficiency) available to floating charge			5,496
Floating charge b/d EM3 SME Finance II Limited			<u>0</u>
Surplus to floating charge			5,496
Prescribed part b/d			<u>n/a</u>
			5,496
Unsecured creditors			<u>(352,887)</u>
Shortfall to unsecured creditors			<u>(347,391)</u>
Ordinary shareholders			(201)
Estimated total shortfall			<u><u>(347,592)</u></u>
Estimated Distribution			(0.02) p/£

* subject to final quantum of Earn Out received from the purchaser.

BLUPOINT LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 30 JULY 2020 TO 13 JANUARY 2021 AND CUMULATIVELY SINCE APPOINTMENT

Time and Chargeout Summary for the period 30/07/2020 to 05/01/2021							
	Hours						
Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost £	Average hourly rate £
Administration & Planning	0.00	4.80	0.00	4.40	9.20	2,383.50	259.08
Investigations	0.00	0.20	0.00	0.00	0.20	58.00	290.00
Realisation of Assets	1.80	1.20	0.00	0.70	3.70	1,218.00	329.19
Creditors	1.40	4.20	0.00	4.00	9.60	2,357.00	245.52
Case Specific Matters	0.00	0.40	0.00	0.80	1.20	190.00	158.33
Total Hours	3.20	10.80	0.00	9.90	23.90	6,206.50	259.69
Total fees Claimed	1,248.00	3,154.00	0.00	1,804.50	6,206.50		

Time and Chargeout Summary for the period 30/01/2020 to 05/01/2021							
	Hours						
Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost £	Average hourly rate £
Administration & Planning	1.30	25.20	0.00	14.70	41.20	10,042.50	243.75
Investigations	0.90	6.20	0.00	0.00	7.10	2,160.00	304.23
Realisation of Assets	12.60	6.00	0.00	0.70	19.30	6,831.00	353.94
Creditors	9.80	31.90	0.00	8.70	50.40	14,190.00	281.55
Case Specific Matters	0.00	0.70	0.00	1.70	2.40	361.00	150.42
Total Hours	24.60	70.00	0.00	25.80	120.40	33,584.50	278.94
Total fees Claimed	9,594.00	20,474.00	0.00	3,516.50	33,584.50		

BLUPOINT LTD (IN ADMINISTRATION)**THE JOINT ADMINISTRATORS' CHARGE-OUT RATES AND BASES OF CATEGORY 2 DISBURSEMENTS**

Staff	Charge out rates £
Partners	390-495
Consultants	390-495
Directors	360-390
Associate Directors	330-360
Managers	300-330
Assistant Manager	290-310
Senior Executive	240-275
Executive	155-190
Cashier	135-185
Secretarial/Admin/Analyst	90-125

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case. Such expenses currently anticipated and estimated are as follows:

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

1.12.1 Circulars to creditors:

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

1.12.2 Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

1.12.3 Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 45p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

BLUPOINT LTD (IN ADMINISTRATION)**DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS**

General Description	Includes
Administration & Planning	Work involved in this category relates mainly to routine and statutory functions. It does not necessarily provide financial benefit to creditors, but ensures that the case is managed and administered in accordance with legislation and in a professional manner. Specific work is detailed below:
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending case files to storage
Investigations	The office holders are required to undertake an investigation in to the affairs of the company or individual prior to the commencement of the insolvency process. An office holder is required to submit a report on the conduct of the Directors who were in office in the period three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries. Specific work is detailed below:
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Reviewing the Company's bank statements and undertaking a banking analysis Review of specific transactions and liaising with directors regarding certain transactions
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service
Realisation of Assets	This involves work in realising assets of the company or individual, which are known and stated in the statement of affairs. It may also include work involved in asset recoveries identified post appointment, which were either unknown or identified during the office holders' investigations. Specific work is detailed below:
Sale of Business as a Going Concern	Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Exchanges with solicitors to agree sale and purchase agreement Monitoring deferred sale consideration Reviewing purchasers' records to establish portion of sales income to be remitted to administration estate

General Description	Includes
Plant and machinery; office furniture and equipment	Liaising with valuers, auctioneers and interested parties
Stock and work in progress ("WIP")	Liaising with agents regarding stock takes Reviewing stock values Liaising with agents and potential purchasers
Other assets: motor vehicles, intangibles, intellectual property, VAT/corporation tax refunds, Insurance claims	Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Collecting sales consideration
Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
Creditors (claims and distribution)	This involves work in dealing with creditor queries and correspondence, including reports and where funds permit agreeing creditor claims and provision of dividends to creditors. This may also involve assisting employees. Specific work is detailed below:
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD
Creditor reports	Disclosure following pre-pack sale of assets SIP 16 & 13 Preparing proposal, six monthly progress reports, fee authority report to secured and preferential creditors (where appropriate), conversion to CVL (where appropriate) and final report
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure Responding to queries and questions following decisions Issuing notice of result of decision process
Case Specific Matters	
Pre and Post Appointment Tax and VAT matters	Preparing relevant pre appointment VAT returns Preparing relevant post appointment VAT returns Liaising with HM Revenue & Customs with regards to submission of corporation tax and VAT returns Liaising with HM Revenue & Customs with regards to ad hoc tax matters including the tax treatment of employee claims

BLUPOINT LTD (IN ADMINISTRATION)**PROOF OF DEBT - GENERAL FORM****BLUPOINT LTD (IN ADMINISTRATION)**

Date of Administration: 30 January 2020

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount(s) claimed as preferential £
AUTHENTICATION		

Signature of Creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	
Date	
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor	
Are you the sole member of the Creditor?	YES / NO
