

# AM03

## Notice of administrator's proposals



Companies House

TUESDAY



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21/01/2020

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COMPANIES HOUSE

### 1 Company details

Company number 09977808

Company name in full IL Realisations Limited (formerly Inlink Limited)

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Sarah Helen

Surname Bell

### 3 Administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M21EW

Country

### 4 Administrator's name

Full forename(s) Steven

Surname Muncaster

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M21EW

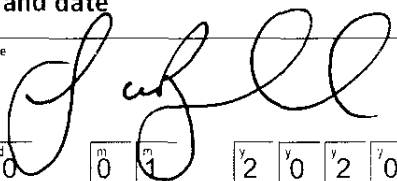
Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03

## Notice of Administrator's Proposals

<b>6</b>	<b>Statement of proposals</b>	
	<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
<b>7</b>	<b>Sign and date</b>	
Administrator's Signature	<div>Signature x  x</div>	
Signature date	<div><div>d2</div><div>d0</div><div>m0</div><div>m1</div><div>y2</div><div>y0</div><div>y2</div><div>y0</div></div>	

## AM03 Notice of Administrator's Proposals



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Contact name	Sam Bevan
Company name	Duff & Phelps Ltd.
Address	The Chancery 58 Spring Gardens
Post town	Manchester M2 1EW
County/Region	
Postcode	
Country	
DX	
Telephone	+44 (0) 161 827 9000



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- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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**DUFF & PHELPS**

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# **Report to Creditors and Statement of Proposals**

20 January 2020

**IL Realisations Limited  
(formerly Inlink Limited)  
(In Administration)**

*Joint Administrators' Report to Creditors and Statement of Proposals for the  
period from 26 November 2019 to 20 January 2020*

**Duff & Phelps Ltd.  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW**

## Contents

1. Introduction
2. Creditor summary
3. Background
4. Events leading up to the Administration
  - 4.1 Summary of key events
  - 4.2 Actions prior to appointment
  - 4.3 Pre-Administration work
  - 4.4 Appointment of Joint Administrators
5. Strategy and progress of the Administration to date
  - 5.1 Purpose of the Administration
  - 5.2 Progress of the Administration
    - 5.2.1 Initial Actions
    - 5.2.2 Trading
    - 5.2.3 Sale of business
  - 5.3 Asset realisations
    - 5.3.1 Book debts
    - 5.3.2 Cash at Bank
    - 5.3.3 Refunds and Other Assets
  - 5.4 Investigations
  - 5.5 Cost of realisations
    - 5.5.1 Trading Expenditure
    - 5.5.2 Other Costs
6. Joint Administrators' fees and expenses and pre-Administration costs
  - 6.1 Estimated fees and expenses
    - 6.1.1 Fees
    - 6.1.2 Expenses
    - 6.1.3 Disbursements
    - 6.1.4 Additional information
  - 6.2 Statement of pre-Administration costs
    - 6.2.1 Fees
    - 6.2.2 Expenses
7. Dividends prospects
  - 7.1 Secured Creditors
    - 7.1.1 RiverRock
    - 7.1.2 Bank of Scotland
  - 7.2 Preferential Creditors
  - 7.3 Unsecured Creditors
    - 7.3.1 Prescribed part

- 8. End of Administration
  - 8.1 Exit from Administration
  - 8.2 Discharge of liability
- 9. Joint Administrators' Proposals
  - 9.1 Approval of Proposals
  - 9.2 Creditors' Committee
  - 9.3 Creditors' rights
  - 9.4 Summary of Proposals
    - 9.4.1 General
    - 9.4.2 Distributions
    - 9.4.3 End of Administration
    - 9.4.4 Remuneration and pre-Administration costs
    - 9.4.5 Discharge of liability

## **Appendices**

- Appendix 1 – Statutory Information
- Appendix 2 – Receipts and Payments Account
- Appendix 3 – Statement of Affairs
- Appendix 4 – Analysis of Time Charged and Expenses Incurred
- Appendix 5 – Fee Estimate
- Appendix 6 – Fee Narrative
- Appendix 7 – Expenses Estimate
- Appendix 8 – Statement of Creditors' Rights
- Appendix 9 – Proof of Debt Form
- Appendix 10 – Definitions
- Appendix 11 – Notice about this Statement of Proposals

## **1. Introduction**

The Joint Administrators were appointed on 26 November 2019 by the Directors of the Company.

This report is the Joint Administrators' statutory Statement of Proposals. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.

You will find other important information in this report such as the proposed basis of the Joint Administrators' remuneration.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 10.

Please also note that an important legal notice about this statement of Proposals is attached at Appendix 11.

These Proposals are deemed delivered to creditors within two business days of the date of this report.

## **2. Creditor summary**

### **Background**

The Company was a joint venture between two businesses, Primesight and Intersection. Both companies are unaffected by the Administration and continue to trade as normal.

The Company provided a modern alternative to BT's existing payphone network via three interactive advertising platforms typically located in towns and cities.

Following backing by both Intersection and Primesight and significant investment from RiverRock, the Company operated c.490 terminals.

As part of RiverRock's investment, the Company granted security in the form of fixed and floating charges over the Company's assets.

The Company operated from the office of Primesight and had no direct employees.

### **Events Leading up to Administration**

Despite significant financial and operational support from stakeholders, the Company struggled to achieve its revenue forecasts. Delays in the receipt of planning consents led to the Company moving to alternative areas which did not meet the levels of revenue forecast from the Company's first choice locations.

Due to the trading underperformance, the business was not able to meet its ongoing financial obligations and due to the level of funding which was required the Company's funders and key stakeholders were unable to provide additional financial support to the business. The Directors considered alternative options for the business which involved revising the joint venture agreement to include a mechanism to deal with the accrued liabilities, however when stakeholder discussions became protracted, the Directors began to consider alternative options.

Mindful of their duties as directors of the Company, the Directors sought independent restructuring and legal advice should the stakeholder discussions fail to result in a consensual way forward.

It was not possible for the stakeholders to agree the terms on which a solvent solution could be executed, therefore with no viable alternative and in order to protect the Company whilst discussions on an insolvent basis took place, the Directors filed a Notice of Intention to Appoint Sarah Bell and Steven Muncaster as Joint Administrators to the Company on 12 November 2019.

### **Appointment**

Consequently, Sarah Bell and Steven Muncaster were appointed as Joint Administrators of the Company by the Directors on 26 November 2019.

The NOA was filed in the High Court of Justice, Business and Property Courts of England and Wales CR-2019-007630.

### **Trading**

Despite the detailed negotiations that had taken place, the Joint Administrators were not in a position to conclude a transaction. Due to the nature of the asset and the key role they play in the general public's safety and having considered the cost / benefit of doing so, the Joint Administrators took the decision to continue to trade the business.

Additionally, upon their appointment, the Joint Administrators undertook a review of the Company's ongoing order book and associated trading costs to satisfy themselves that the Company could continue to trade in Administration and generate a trading surplus.

The decision to trade was discussed with RiverRock as a secured creditor, Close Brothers Asset Finance who owned c.200 units, and with the key stakeholders / suppliers. Each party consented to the strategy to continue trading the business.

The trading period was vital to enable a window in which the Joint Administrators could complete a sale of the business and assets.

### **Sale of business**

The Joint Administrators completed a sale of the Company's business and assets to the Purchaser, BT Telecommunications plc, on 23 December 2019.

The Purchaser was not a connected party, however it did have a very close trading relationship with the Company.

Prior to the sale, the Company's assets were valued by SIA Group Asset Ingenuity Ltd, and the offer received from the Purchaser was in excess of the Agent's valuation.

*A more detailed breakdown of the sale consideration is summarised at Section 5.2.3.*

### **Asset realisations**

As at the Appointment Date, the outstanding book debts due to the Company totalled £7.6m. The Joint Administrators are in the process of collecting this ledger.

As at the Appointment Date, the Company had cash at bank of c.£3.2m. These funds have been transferred to the Administration estate.

The Joint Administrators are examining any other avenues of asset realisations due to the Company and will provide an update in future reports.

### **Fees and expenses**

It is proposed that the Joint Administrators' fee is based on the level of time costs incurred. The time costs incurred to date are analysed at Appendix 4. Time is charged in six-minute units.

The Joint Administrators propose to seek approval from the Secured Creditors for the pre-Administration costs totalling £161,571 as shown at Section 6.2.2 and the amount proposed to be drawn over the life of the Administration is shown in the 'Fee Estimate' at Appendix 5, in the total sum of £190,876.

The Joint Administrators estimate that the expenses of the Administration will total approximately £250,273 as detailed at Appendix 7.

### **Dividends**

As at the Appointment Date, RiverRock's principal indebtedness totalled c.£20m. After accounting for contractual returns, payments made by the Company, interest and charges their claim totalled c.£28m. It is anticipated that RiverRock will not recover their indebtedness in full.

Bank of Scotland held a fixed charge over the Company's deposit account and held a deposit of £24,999. The Joint Administrators have received confirmation that there is no outstanding claim and are proceeding to retrieve the funds for the benefit of the estate.

The Joint Administrators are not aware of any preferential creditors of the Company.

According to the Director's Statement of Affairs, unsecured creditors total £11,107,854. It is anticipated that there will be insufficient realisations to enable a distribution to the unsecured creditors other than by virtue of the prescribed part.

#### **Anticipated Exit from Administration**

At this stage, it is anticipated that the Company will be dissolved once all outstanding Administration matters, including the payment of the prescribed part have been finalised and all liabilities incurred during the Administration have been discharged.

#### **Approval of Proposals**

The Joint Administrators' Proposals shall be deemed approved and a creditors decision on the approval of these Proposals will not be sought as the Joint Administrators have placed the Company into Administration with the objective of realising property in order to make a distribution to the Secured Creditors (in accordance with Paragraph 3 (1) (b)).

This document in its entirety is our Statement of Proposals. A summary list of the Proposals is included in Section 9, together with the relevant statutory information by way of appendices. Unless otherwise stated, all amounts in these Proposals are stated net of VAT.



**Sarah Bell**  
Joint Administrator

### 3. Background

Statutory information on the Company is included at Appendix 1.

The Company was a joint venture incorporated on 29 January 2016 between the US based business Intersection and a leading out-of-home UK media company, Primesight. To fund the Company's initial start-up and development, Intersection and Primesight together invested £15m in the joint venture. The Company entered into a franchise agreement with BT in October 2016 to replace a large number of BT's existing payphones across the UK with the modern Inlink terminals to deliver free, ultrafast public Wi-Fi and the other free of charge services as discussed below.

Both Intersection and Primesight are not affected by the insolvency of the Company and continue to trade as normal.

The Company was set up to provide a modern alternative to BT's existing payphone network across the UK with an advertising focus, through three platforms, being (1) Digital Inlink terminals (primary revenue stream); (2) BT6's which are upright scrolling poster adverts with a payphone attached to the reverse and (3) poster adverts on existing traditional BT payphone kiosks. The Inlink terminals comprise digital advertising displays, free mobile Wi-Fi, phone call connectivity, USB charging and serve as local information services.

The three advertising platforms are typically found in towns and city centre areas on streets and in busy pedestrianised areas.

As part of the joint venture agreement, Intersection and Primesight entered into contracts to provide services with the Company to facilitate the installation and maintenance of the advertising units and to procure contracts for advertisements to deliver revenue.

The 2016 financial year was a period of development (pre-trading) for the business and during this period the Company did not generate any revenue.

From October 2016, the Company focussed on ensuring that all service agreements were in place with suppliers, which included the licence approval to use the digital Inlink terminals and obtaining planning permission from local councils to install each unit. The Company installed a small number of Inlinks during the summer of 2017 and took over the advertising contract with BT from the incumbent JC Decaux UK in October 2017.

In addition to arranging the infrastructure for the Inlinks in 2016, the Company also provided 50% of the funding to BT to purchase c.500 scrolling advertising boards (BT6s) from the incumbent media owner J C Decaux UK at a cost to the Company of c.£500k.

In January 2017, to facilitate the implementation of the Inlink network, the Company entered into a financing arrangement with RiverRock who advanced loans totalling £20m in tranches of £5m during the period September 2018 to April 2019. In order to secure the finance, the Company granted RiverRock fixed and floating charge security over the assets of the Company.

The Company also entered into a sale and leaseback arrangement with Close Brothers Asset Finance in December 2017, to provide further funding of c.£5m to support the investment in the Inlink terminals with Close Brothers Asset Finance taking ownership of 200 units during 2017 and 2018.

Clearing account facilities were provided by Bank of Scotland, who provided both Pound Sterling and US Dollar accounts.

At the date of the appointment, the Company operated from the UK office of Primesight based in London.

The Company's trading history, and key issues, are detailed in section 4 below.

## **4. Events Leading up to the Administration**

### **4.1 Summary of Key Events**

As a start up, the Company invested heavily to grow the network of Inlink terminals to over 220 units in short order at a cost in excess of c.£14m.

In addition, the Company entered into a sale and leaseback arrangement with Close Brothers Asset Finance to fund a further 200 terminals. Close Brothers Asset Finance provided funding of c.£5m between December 2017 and August 2018.

The funding provided by Close Brothers Asset Finance covered the cost of the physical Inlink units, and excluded the planning, infrastructure and installation costs. Overall, the additional 200 units cost the Company in excess of c.£12m to build and install. At the Appointment Date, the amounts owed to Close Brothers Asset Finance totalled c.£3.5m.

Overall the Company installed c.490 Inlink terminals, which included c.230 units funded and owned by the Company, c.200 units funded by Close Brothers Asset Finance and a further c.60 funded and owned by BT. All c.490 units form part of the Company's advertising inventory. Each unit has two digital advertising screens. Other advertising units included the c.500 BT6s and BT payphone kiosks (owned by BT).

During 2018 and 2019, the Company achieved growth with revenue increasing to c.£14.7m for the 12 months to December 2018 and c.£14m for the nine months to September 2019.

Despite the growth in sales and significant financial support extended by RiverRock, Primesight, Intersection and BT, the Company was unable to meet the advertising revenues originally forecast and the business recorded losses totalling c.£6.3m in the years ending FY17 and FY18 combined. Further losses totalling c.£7.8m were recorded in the 9 months to September 2019.

A cause of the trading underperformance related to long delays which the Company experienced to receive approved planning consents for sites situated in places such as Westminster, Bristol, Liverpool, Edinburgh and The City of London. These sites were projected to generate significant revenue and the delays in the applications being approved resulted in the Company failing to achieve a large proportion of sales which had been forecast in the original budget.

*Additionally, as the sites in the key areas noted above were delayed, the Company sought alternatives and focused efforts on secondary areas such as Rotherham and Swansea in order to meet minimum unit deployment guarantees and avoid significant financial penalties which had been agreed at the outset between the Company and BT.*

The situation above led to disappointing revenue returns in the alternative Inlink locations and placed increasing pressure on the Company's cashflow as sales continued to underperform against forecast. The Company was required to pay BT a substantial annual minimum guarantee, and a significant incremental annual rental for each installed Inlink terminal. This put significant pressure on the ability of the business to generate profit due to the high operating cost of each unit, together with the lower revenue returns that were achieved.

The Company achieved rapid expansion of the Inlink product, with nearly 1,000 digital screens (two screens per unit) built in just over two years which resulted in a significant increase in advertising capacity.

It took longer than anticipated for the media buyers to start including the new Inlink advertising platform within their buying schedules. Achieving forecast sales became more challenging as the Company started to face competition in key areas with the emergence of strong rival products adding over 3,000 competitive screens, which further increased capacity in the market and contributed to the disappointing advertising revenue returns.

Due to the trading underperformance, the Company's funders and key stakeholders were unable to provide additional financial support to the business. As such, in the summer of 2019, the Directors considered

alternative options for the business which involved revising the joint venture agreement. In addition to the Company, the key stakeholders included BT as a major supplier and RiverRock being the primary funder.

Discussions were held between the joint venture shareholders, BT and RiverRock to seek a restructure of the joint venture and service agreements to try and achieve repayment of each stakeholders' accrued debt over an extended period compared with the original business plan.

*These discussions became protracted and mindful of their duties as directors of the Company, the Directors sought independent restructuring and legal advice should the restructuring discussions fail to result in an agreed way forward.*

Due to the amounts owed, BT decided to serve notice to terminate the service agreement with the Company. As a result, there was no guarantee of continued services which were required to ensure that the Company could trade.

During discussions with the Directors and other key creditors, RiverRock, in its capacity as secured creditor, approached Duff & Phelps in October 2019 to provide restructuring advice should the discussions fail and or the Directors seek to appoint administrators.

Following discussions between RiverRock and the Directors, Duff & Phelps were engaged by the Company to provide restructuring advice and undertake preparation for the relevant individuals to take the Administration appointment should it be necessary.

It was not possible for the stakeholders to agree the terms on which a solvent solution could be executed and so in order to protect the Company whilst discussions on an insolvent basis took place, the Directors filed a Notice of Intention to Appoint Sarah Bell and Steven Muncaster as Joint Administrators to the Company on 12 November 2019.

#### **4.2 Actions Prior to Appointment**

Immediately following the filing of the NOI, the proposed Administrators contacted BT, who were owed significant arrears and had certain contractual arrangements that placed them in a favourable position to acquire the business and assets and maximise the realisations and returns to all creditors.

During the discussions it was not possible to market the business and assets more widely, as BT were not able to provide the services to a third party which would be necessary to trade the Inlink terminals and the BT6s, this was due to the financial loss which BT is facing as a result of the Administration. Any continuation and support was conditional on the business being under the control and ownership of BT.

Without the continued services provided by BT, it was not possible for the business to continue to trade going forward which would have resulted in a significantly worse outcome to all creditors than the eventual sale.

In order to provide the necessary legal assistance in the period prior to the Joint Administrators' appointment, DLA Piper were instructed to assist the Administrators. Duff & Phelps chose to instruct DLA Piper with this process due to its significant level of expertise and prior knowledge of the business, as discussed below.

#### **4.3 Pre-Administration Work**

The Company was introduced to Duff & Phelps on 28 October 2019 through DLA Piper, who were also acting as legal advisers to RiverRock. The initial discussions held with Duff & Phelps were to explore RiverRock's options to recover its indebtedness.

Sarah Bell of Duff & Phelps was formally introduced to the Company and the Directors on 5 November 2019 to discuss the options and possible insolvency procedures available to restructure the business.

Duff & Phelps issued a formal engagement letter to the Company on 12 November 2019, which was signed and returned by the Company on 13 November 2019.

The work undertaken prior to the Administration involved providing formal advice to the Company alongside its legal advisers, to consider potential restructuring options and prepare for a formal appointment.

During the pre-Administration period, Duff & Phelps also conferred with the Company in relation to its critical payments, whilst also reviewing ongoing trade and monitoring the cash flow. This was undertaken whilst negotiations continued with BT in relation to the sale of the business and assets.

Duff & Phelps provided regular updates to the Directors, shareholders, RiverRock and other key stakeholders in relation to trading and the ongoing discussions with BT. Duff & Phelps also met with the Directors to complete a detailed review of the debtor book and the supplier rebate position to understand the complexities around how the balances are collected and prepare an estimate of the potential realisations for the Company's creditors.

The Joint Administrators are satisfied that the work carried out by Duff & Phelps prior to their appointment, including the pre-Administration work detailed above, has not created a conflict of interest or threat to their independence.

#### **4.4 Appointment of Joint Administrators**

Following the review of the Company's financial position, it was concluded by the Directors and their independent advisors that the Company could not continue without a significant cash investment or a material variation of the franchise agreement, which was not forthcoming.

Mindful of their obligations and duties as directors of the Company, the Directors resolved to place the Company into Administration in order to protect the Company from enforcement action, thereby preserving the value of the assets of the Company for the benefit of its creditors.

The Directors filed a NOA to appoint Sarah Bell and Steven Muncaster of Duff & Phelps as Joint Administrators of the Company on 26 November 2019.

The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners' Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

### **5. Strategy and Progress of the Administration to Date**

#### **5.1 Purpose of the Administration**

From the outset, the purpose of an Administration is to achieve one of the following hierarchical objectives:

1. To rescue the Company as a going concern; or
2. Achieve a better result for the Company's creditors than what would be likely if a wind up had been pursued (without first being in Administration); or
3. Realising property in order to make a distribution to one or more Secured or Preferential Creditors.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators are pursuing the second objective as it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company was wound up without first being in Administration for the reasons listed overleaf.

- The sale of the business and assets has enhanced realisations in respect of both the tangible and *non-tangible assets of the Company*. *If the Company had been wound up, it is likely that realisations for the physical assets, primarily the Inlink terminals, would have been significantly less than would have been achieved in the Administration.*
- The Company was also able to continue trading in Administration, which enabled the sale of the business on a going concern basis and protected the future value in the ongoing contracts and orders. This facilitated the agreement of a future revenue share with the Purchaser, which will be collected for the benefit of RiverRock as a secured creditor. This would not be possible in a winding-up scenario as contracts would likely be terminated upon the appointment of a Liquidator.
- The continuation of trade with the Company's customers has also enhanced the collectability of the debtor ledger as contracts have continued to be fulfilled. This has limited the level of disputes which would likely be received if the Company was wound-up and ceased to trade.
- The sale as a going concern has also enabled realisation of the Company's records, domain names and warranties, which would have been limited in a Liquidation / wind down scenario.

The Joint Administrators have achieved the third objective as a distribution has been made to RiverRock as a secured creditor, and therefore the statutory purpose has been achieved.

## **5.2 Progress of the Administration**

The manner in which the affairs and business of the Company have been managed since the appointment of the Joint Administrators, and will continue to be managed and financed, are set out below.

### **5.2.1 Initial Actions**

The Directors of the Company decided to appoint the Joint Administrators on the Appointment Date, which was on expiry of the NOI. This action was taken following the receipt of independent legal advice by the Directors of the Company and with no prospect of a solvent solution.

Prior to the appointment of the Joint Administrators, discussions had been held with BT in relation to the sale of the business and assets and these negotiations were continued immediately following the appointment of the Joint Administrators.

Upon appointment, the Joint Administrators also held discussions with the Company's shareholders and suppliers, to ensure services were not terminated and that the Company continued to trade. The trading period is discussed below at section 5.2.2.

It was vital that the Company did not cease to trade whilst a sale was agreed to protect the value in the physical advertising units and to preserve value in the ongoing contracts.

The initial actions of the Joint Administrators also included notification of the appointment to the Company's creditors and other stakeholders, ensuring the assets were insured, and continuing to collect the Company's debtors through ongoing communication with the Company's collection agents.

The Joint Administrators also reviewed the Company's balance sheet on appointment to commence other asset realisations which are discussed in more detail at section 5.3.

### **5.2.2 Trading**

Upon their appointment, the Joint Administrators undertook a review of the Company's ongoing order book and associated trading costs to satisfy themselves that the Company could continue to trade in Administration and generate a trading surplus.

The Company trades in two-week cycles, and during the Administration trading period there were two cycles which began on 2 December and 16 December 2019.

Due to the interest from BT and its desire to complete a transaction swiftly to acquire the Company's business and assets, the Joint Administrators agreed that BT could take the benefit of the trading period from 2 December to 22 December 2019, providing that costs of trading were covered by BT. This de-risked the trading period as effectively costs were covered by the Purchaser. In addition, this removed any interruption to customers which would have been caused by changing supplier to the Administrators for invoicing purposes.

Revenues from 2 December 2019 are for the benefit of BT following the sale. Associated costs were incurred of c.£280k, plus VAT. The Administration will be reimbursed by BT for these costs.

Please note, the sales achieved a total of c.£1.2m, of which c.£200k will be collected by the Joint Administrators for the benefit of the Administration as these sales were pre-invoiced prior to the 26 November 2019 and form part of the debtor book being collected by the Joint Administrators.

The Joint Administrators had to pay c.£220k plus VAT in additional costs following the appointment. These costs related to the supply of services up to 2 December 2019 from BT, Primesight and Intersection and the ongoing maintenance of the Inlink units. It was critical these payments were made to ensure adverts continued to be shown following the Appointment Date and to preserve the collectability of the debtor book which totalled c.£7.6m. Debtor collections are discussed in more detail at section 5.3.1.

The decision to trade was discussed with RiverRock as a secured creditor, Close Brothers Asset Finance who owned c.200 units, and with the key stakeholders / suppliers. Each party consented to the strategy to continue trading the business.

As at the Appointment Date the Company did not have any employees, and with c.£3.2m cash at bank, there was a minimal funding requirement to continue trading the business. The Joint Administrators discussed additional funding with RiverRock, however this was not deemed a requirement.

The trading period facilitated the sale of the business as a going concern as discussed below.

### **5.2.3 Sale of Business**

The business and assets of the Company were sold to the Purchaser on 23 December 2019, which followed a four week period in which the Joint Administrators traded the business whilst negotiations with the Purchaser were progressed.

Although the Purchaser was not connected to the Company through ownership and / or directorship, there was a close relationship between the Company and the Purchaser due to the service agreement between the two entities.

Due to the relationship between the Company and the Purchaser, the Joint Administrators have provided additional detail in relation to the sale of the business and assets below.

- The date the transaction completed was 23 December 2019
- The Joint Administrators undertook detailed negotiations and planning discussions with the Purchaser which commenced prior to the Joint Administrators' appointment on 26 November 2019. Subsequently, the Joint Administrators executed the disposal of the business and assets by way of a sale and purchase agreement which included the business and assets summarised below.
- The consideration paid for the Company's assets (listed below) was £1,448,000.
- The purchaser was British Telecommunications plc, which was not a connected entity, however, did have a very close trading relationship with the Company.

- The Company's assets were valued by SIA Group Asset Ingenuity Ltd. The valuation was provided by a registered surveyor (MRICS) and was underwritten by the Agent's professional indemnity insurance. The offer received for the Company's assets was also recommended for acceptance by the Agents.

The breakdown of the sale consideration is summarised below:

Asset	Consideration £
Equipment	1,347,997
Benefit to Lease Agreement	1
Intellectual Property	1
Contracts	60,000
Records	20,000
Goodwill	1
Domain Names and Warranties	20,000
Revenue Share Agreement	TBD*
<b>Total</b>	<b>1,448,000</b>

The consideration of £1,448,000 was paid on completion.

No VAT was attributable to the sale as the business and assets were transferred as a going concern. The VAT treatment has been approved by an independent qualified accountant.

As part of the sale agreement, BT waived the balance of c£4.2m which was owed from the Company to BT at the Appointment Date. This treatment will improve the returns to the Company's non-preferential creditors as BT's claim in the Administration will reduce, and in turn increase the level of funds available to the remaining non-preferential creditors.

\*In addition, the Joint Administrators entered into a revenue share agreement with the Purchaser, which is anticipated to return in excess of £11m over a six year period. The benefit of the revenue share agreement was assigned to RiverRock as a secured creditor of the Company on completion.

Any realisations due under the revenue share agreement will be collected directly by RiverRock.

The revenue share agreement is not available to any other class of creditor as RiverRock are expected to suffer a shortfall.

In the event that the revenue share agreement generates sufficient funds within the six year period to repay RiverRock's indebtedness in full, then RiverRock is required to report back to Duff & Phelps and DLA to consider how the residual funds should be dealt with which is likely to result in the restoration of the Company to enable these funds to be distributed to creditors.

The remaining asset realisations are discussed below.

## **5.3 Asset Realisations**

### **5.3.1 Book Debts**

According to the Company's books and records, the outstanding debts due to the Company totalled £7.6m as at the Appointment Date. However, the Joint Administrators have been notified of certain rebates recharges and credits which may be set-off against collections. The Joint Administrators are working with Primesight to reconcile the position.

To date, the Joint Administrators have collected c.£1.6m in debtor receipts. Collections are continuing with the assistance of Primesight and Fresh Collect, who have been engaged to assist with collections.

A further update on debtor collections will be provided in the next report.

### **5.3.2 Cash at Bank**

As at the Appointment Date, the Company had cash at bank of c.£3.2m which was held with the Bank of Scotland.

These funds have been transferred to the Administration bank account and no further action is required.

### **5.3.3 Refunds and Other Assets**

The Joint Administrators have received several refunds from sundry suppliers totalling c.£3k and have been made aware of further refunds which could exceed c.£25k.

In addition, the Joint Administrators have written to the Bank of Scotland to request that the security deposit, totalling c.£25k, be remitted to the Administration estate.

These potential realisations will be pursued by the Joint Administrators and a further update will be provided in the next report to creditors.

## **5.4 Investigations**

The Joint Administrators' investigations into the affairs of the Company are ongoing. The Joint Administrators also have a duty to investigate antecedent transactions which include but are not limited to:

- Transactions at an undervalue, Section 238 of the Act;
- Preferences, Section 239 of the Act; and
- Transactions to defraud creditors, Section 423 of the Act

The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of all Directors that held office in the three years prior to the Administration. This report must be filed within three months of the date of appointment and the content of this report is confidential.

If creditors have any information which might be supplement to or affect the current position of the Joint Administrators' investigations, we would welcome such information to be provided to this office in writing or by e-mail.

## **5.5 Cost of Realisations**

Payments made from the Appointment Date are set out in the Receipts and Payments account provided at Appendix 2 which is self explanatory.

### **5.5.1 Trading Expenditure**

The Joint Administrators traded the business over the period 26 November to 23 December 2019 (see section 5.2.2).

During the trading period, costs were incurred to continue trading the advertising units and payments have been made to cover items such as IT and data services, connectivity services, advertisement posting and maintenance. To date trading expenditure has been paid of c.£266k.

In total, trading costs have been incurred of c.£500k plus VAT. Of these costs, BT has agreed to contribute c.£280k. Once the contribution from BT has been received, trading expenditure shall total c.£220k.

The Joint Administrators have reconciled the trading expenditure costs and do not envisage receiving any further invoices relating to the Administration trading period.

The trading expenditure is summarised in the Receipts and Payments Account at Appendix 2.

### **5.5.2 Other Costs**

Additional costs have been incurred during the Administration, such as 2% agency fees for the collection of book debts.

The Joint Administrators are awaiting receipt of insurance premiums and rates invoices for the period 26 November to 23 December 2019.

A full reconciliation shall be provided in the next report to creditors.

## **6. Joint Administrators' Fees and Expenses and Pre-Administration Costs**

### **6.1 Estimated Fees and Expenses**

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursement policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document call "A Creditors' Guide to Administrators' Fees".

This can be viewed and downloaded from the Joint Administrators' website at:

<http://duffandphelps.com/uk-restructuring/creditor-guides>

(click on the document 'Administration' appointment from 1 October 2015). Should you require a copy, please contact this office.

#### **6.1.1 Fees**

It is proposed that the Joint Administrators' fee basis is based on time costs. The time costs already charged since the date of appointment are analysed at Appendix 4. Time is charged in six-minute units.

Time costs of £104,081 have been incurred since the Appointment Date, representing 349 hours at an average hourly charge out rate of £298.

The Joint Administrators propose to seek fee approval from the Secured Creditors.

The amount proposed to be drawn in fees by the Administrators over the life of the case is shown in the 'Fee Estimate' at Appendix 5. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators. If circumstances change and the Joint Administrators propose to draw further fees in the future, they will seek the appropriate approval from the Secured Creditors at a later date.

Also attached at Appendix 6 is the 'Fees Narrative', a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

#### **6.1.2 Expenses**

The Joint Administrators' estimate the expenses of the Administration to total approximately £250,273 as detailed in the 'Expenses Estimate' at Appendix 7. This illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors.

This Estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in future progress reports.

#### **6.1.3 Disbursements**

The Joint Administrators have incurred disbursements of £242 during the period as set out in Appendix 4. None of these have yet been paid.

#### **6.1.4 Additional Information**

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 8.

### **6.2 Statement of Pre-Administration Costs**

Pre-Administration costs are defined in the Rules as fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to it doing so.

#### **6.2.1 Fees**

The pre-Administration time costs incurred by the Joint Administrators for the period leading up to the Appointment Date total £52,202 representing 136 hours at an average charge out rate of £384 per hour.

A detailed breakdown of the time costs incurred pre-Administration is detailed at Appendix 4.

## 6.2.2 Expenses

The Joint Administrators have incurred total pre-Appointment expenses of £161,571. A detailed breakdown of the fees and expenses incurred is provided below.

Pre-Administration costs	Brief Description of Services Provided	Total (£)
Duff & Phelps Ltd	Time and disbursements incurred in respect of the advice provided to the Company on the financial position, marketing the business for sale, conducting negotiations with the Purchaser and preparing for the Administration.	£52,591
DLA Piper LLP	Assistance with placing the Company into Administration, preparing the sale contract, review of the security documentation and guidance on other ad hoc legal matters.	£82,980
SIA Group	Valuation services prior to the sale of the Company's business and assets.	£22,000
Shaw Gibbs	Transaction tax and VAT advice.	£4,000
<b>Total</b>		<b>£161,571</b>

The above costs exclude VAT.

The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 3.52 of the Rules and does not form part of the Proposals, subject to approval under Paragraph 53, Schedule B1 of the Act.

## 7. Dividends prospects

### 7.1 Secured Creditors

#### 7.1.1 RiverRock

RiverRock holds fixed and floating charge security over the assets of the Company. As at the Appointment Date, the outstanding indebtedness to RiverRock totalled c.£20m, plus contractual returns and interest.

The funding was provided by RiverRock in four tranches of £5m between September 2018 and April 2019. Between September 2018 and December 2019, RiverRock had also accrued interest and charges of c.£1m which had been settled via repayments from the Company.

Upon the appointment of the Joint Administrators, additional charges were crystallised as the Administration constituted a default on the loan notes. The additional charges total £9m, being the minimum return of 45% of the original value of the loan notes (£20m).

After accounting for all payments made by the Company, contractual charges, interest and charges, RiverRock has a claim in the Administration of c.£28m.

Based on current estimates, it is anticipated that RiverRock will suffer a shortfall on its indebtedness.

A review of RiverRock's security and claim in the Administration was undertaken by DLA on 8 January 2020, in which DLA verified the validity of the claim.

### 7.1.1 Bank of Scotland

The Bank of Scotland holds a £24,999 deposit balance as security against a Company credit card. In addition, the Bank of Scotland holds a fixed charge over the Company's bank account which is registered at Companies House.

The Joint Administrators have confirmed that the card has now been cancelled. In respect of this, the Joint Administrators have written to the Bank of Scotland to request that the monies are transferred to the Administration estate.

### 7.2 Preferential Creditors

Preferential claims normally consist of employees claims for unpaid wages and holidays. The Company did not have any employees, therefore, the Joint Administrators are not aware of any creditors that require preferential status.

### 7.3 Unsecured Creditors

According to the Directors' Statement of Affairs at Appendix 3, the unsecured creditors totalled £11,707,854 as at the Appointment Date.

Unsecured Creditors	Total (£)
Trade & Expense Creditors	£11,413,171
HM Revenue & Customs	£294,683
Specialist Rebates	TBD*
<b>Total per SOA</b>	<b>£11,707,854</b>

In the Directors' Statement of Affairs, unsecured creditors included in the liabilities section total £11,707,854 which reflects the Trade & Expense Creditors and HM Revenue & Customs as listed above. This excludes the Specialist rebates of £626,423 as the Directors believe the balance is subject to set-off. The Joint Administrators are undertaking an ongoing review in relation to the Specialist rebates position.

It is anticipated that there will be insufficient realisations to enable a distribution to the unsecured creditors, other than by virtue of the prescribed part.

#### 7.3.1 Prescribed Part

The prescribed part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Company granted a qualifying floating charge to RiverRock on 8 February 2017, therefore, the prescribed part provisions will apply.

Based on current estimates, the Joint Administrators anticipate that the prescribed part will be the maximum permitted by statute, being £600k.

The timing of the prescribed part is not yet known and will be communicated to creditors in due course.

An update will be provided in the Joint Administrators' next progress report, which is due to be issued no later than 25 July 2020.

## **8. End of Administration**

### **8.1 Exit from Administration**

The options available to the Joint Administrators for the exit from Administration are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation
- Dissolution of the Company

The Joint Administrators recommend that the Company should be dissolved for the reasons set out below:

The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to unsecured creditors, aside from the prescribed part.

Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise, which may permit a further distribution to unsecured creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

### **8.2 Discharge of Liability**

The Joint Administrators propose to seek approval from the Secured Creditors that they will be discharged from liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments account with the Registrar of Companies or their appointment otherwise ceasing.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

## **9. Joint Administrators' Proposals**

### **9.1 Approval of Proposals**

The Joint Administrators' Proposals will be deemed approved and a creditors decision on the approval of these Proposals will not be sought as the Joint Administrators believe the Company will have insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of the prescribed part, as detailed in section 7.3.1.

On the expiry of eight business days from the date that the Proposals are delivered to the creditors, the Joint Administrators' Proposals will be deemed to have been approved by the creditors, unless creditors whose debts amount to at least 10% of the total debts of the Company request that a decision procedure is convened.

Further information of the steps required to convene a procedure are detailed at Appendix 8.

## 9.2 Creditors' Committee

A Creditors' Committee will not be established unless requested by the creditors and sufficient creditors are willing to act as members of the committee.

The minimum number of committee members is three and the maximum is five.

The creditors' committee represents the interest of the creditors as a whole rather than the interests of individuals.

The statutory function of the creditors' committee is to assist the Joint Administrators with discharging their responsibilities, including the approval of:

- The basis of remuneration;
- The drawing of category 2 disbursements;
- The payment of unpaid pre-Administration costs; and
- The discharge from liability of any actions taken as Joint Administrators.

Please note that members of the creditors' committee are not paid for their time. In order to enable creditors to make an informed decision, a guidance note on the rights, duties and the functions of committees can be found at the following link:

<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>.

If you would prefer to be sent a paper copy, please contact Daniel Ryan of this office.

## 9.3 Creditors' Rights

The Joint Administrators will use a decision making procedure to seek approval of their Proposals if requested by creditors whose debts amount to at least 10% of the total debts of the Company and the relevant procedures are followed.

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the proposed decision(s). The statutory thresholds for requesting a meeting are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

Further information on creditors' rights to request a decision or physical meeting and the relevant procedures required is provided on Appendix 8, Statement of Creditors' Rights.

In addition, the statement also sets out information on the remuneration and disbursements of the Joint Administrators.

## 9.4 Summary of Proposals

In addition to the specific itemised proposals detailed below, this document in its entirety constitutes the Joint Administrators' Proposals. The Joint Administrators propose the following:

### 9.4.1 General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;

- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors; and
- Seek an extension to the Administration period if considered necessary.

#### **9.4.2 Distributions**

- To make distributions to the Secured Creditors where funds allow;
- To make distributions to the unsecured creditors from the prescribed part, where applicable;
- To make further distributions to the unsecured creditors over and above the prescribed part, if funds become available and apply to court for authority to do so, where applicable.

#### **9.4.3 End of Administration**

That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- *Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;*
- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies, if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

The Joint Administrators will be seeking specific agreement to the following Proposals from the Secured Creditor, which do not form part of these Proposals.

#### **9.4.4 Remuneration and Pre-Administration Costs**

- That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- That the Joint Administrators' Fee Estimate provided in Appendix 5 in the total sum of £190,876, is approved;

- That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), which have been charged in accordance with Duff & Phelps policy, as set out in Appendix 8;
- That the unpaid pre-Administration costs totalling £161,571, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administration.
- Where a Creditors' Committee is formed, the Joint Administrators will seek to obtain approval from the Creditors' Committee.

#### **9.4.5 Discharge of liability**

- That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments account with the Registrar of Companies or their appointment otherwise ceasing.
- Where a Creditors' Committee is formed, the Joint Administrators will seek to obtain approval from the Creditors' Committee.

If you require further information or assistance, please do not hesitate to contact Daniel Ryan of this office.



**Sarah Bell**  
Joint Administrator

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*The affairs, business and property of the Company are being managed by the Joint Administrators, Sarah Bell and Steven Muncaster, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners' Association.*

## Appendix 1 – Statutory Information

### COMPANY INFORMATION

<b>Company and trading name</b>	IL Realisations Limited (formerly Inlink Limited)	
<b>Date of incorporation</b>	29 January 2016	
<b>Registered Number</b>	09977808	
<b>Company Director(s)</b>	Naren Patel Darren Singer Christopher Grosso Allison Hoffman	
<b>Trading address</b>	7 <sup>th</sup> Floor Lacon House 84 Theobalds Road London	
<b>Registered office</b>	<b>Current:</b> Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester	<b>Former:</b> 7 <sup>th</sup> Floor Lacon House 84 Theobalds Road London

### ADMINISTRATION INFORMATION

<b>Administration Appointment</b>	The Administration appointment granted in the High Court of Justice Business and Property Courts, Number 7630 of 2019	
<b>Appointor</b>	Company Directors	
<b>Appointment Date</b>	26 November 2019	
<b>Joint Administrators</b>	Sarah Bell Steven Muncaster	
<b>Original purpose</b>	Business Consulting	
<b>Functions</b>	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
<b>Current Administration expiry date</b>	25 November 2020	
<b>Prescribed Part</b>	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 7).	
<b>Application of EC Regulations</b>	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

## **Appendix 2 – Receipts and Payments Account**

**Inlink Limited  
(In Administration)  
Joint Administrators' Trading Account**

<b>Statement of Affairs £</b>	<b>From 26/11/2019 To 20/01/2020 £</b>	<b>From 26/11/2019 To 20/01/2020 £</b>
<b>TRADING EXPENDITURE</b>		
Bill Posting	53,411.57	53,411.57
IT and data services	69,329.00	69,329.00
Payphone Service Charge	37,500.00	37,500.00
Ransom Payment	105,000.00	105,000.00
Repairs & Maintenance	983.00	983.00
	<u>(266,223.57)</u>	<u>(266,223.57)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><b>(266,223.57)</b></u>	<u><b>(266,223.57)</b></u>

**Inlink Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 26/11/2019 To 20/01/2020 £	From 26/11/2019 To 20/01/2020 £
<b>SECURED ASSETS</b>		
Goodwill	1.00	1.00
Intellectual Property	1.00	1.00
	<u>2.00</u>	<u>2.00</u>
<b>ASSET REALISATIONS</b>		
Bank Interest Gross	935.90	935.90
Business Rates Refund	7,504.68	7,504.68
Cash at Bank	3,199,127.18	3,199,127.18
Close Units	1.00	1.00
Company Records	20,000.00	20,000.00
Debtors	1,628,848.41	1,628,848.41
Domain Names and Warranties	20,000.00	20,000.00
Elected Contracts	60,000.00	60,000.00
Pre-Appointment refund	2,413.20	2,413.20
The Equipment	1,347,997.00	1,347,997.00
Trading Surplus/(Deficit)	<u>(266,223.57)</u>	<u>(266,223.57)</u>
	6,020,603.80	6,020,603.80
<b>COST OF REALISATIONS</b>		
Bank Charges	255.94	255.94
Debt Collection Fees	4,847.36	4,847.36
	<u>(5,103.30)</u>	<u>(5,103.30)</u>
<b>FLOATING CHARGE CREDITORS</b>		
RiverRock European Opportunities Fu	4,448,000.00	4,448,000.00
	<u>(4,448,000.00)</u>	<u>(4,448,000.00)</u>
	<u><b>1,567,502.50</b></u>	<u><b>1,567,502.50</b></u>
<b>REPRESENTED BY</b>		
Dividend Account		600,000.00
Floating/main current account		927,154.13
VAT Receivable		40,348.37
		<u><b>1,567,502.50</b></u>

### **Appendix 3 – Statement of Affairs**

This is the Statement of Affairs for the Company as at the Appointment Date. It was prepared by Naren Patel, Darren Singer, Christopher Grosso and Allison Hoffman on behalf of the Company and will be filed with the Registrar of Companies.

A schedule of the known creditors' names, addresses, debts and details of any security held is included with the Statement of Affairs.

Creditors should be aware that some creditor amounts shown may differ from the actual amount owed. This does not affect their final claim and the Joint Administrators invite creditors to submit their claim using the proof of debt form attached at Appendix 9.

The information provided in the Statement of Affairs and in the Statutory information in Appendix 1, has been extracted from the Company's books and records. The Joint Administrators have not carried out any audit or detailed verification work on the information provided and the figures do not include the costs of the Administration.

### Statement of affairs

Name of company InLink Limited (In Administration)	Company Number 09977808
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) (full name of court)	Court Case Number CR-2019-007630

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

Statement as to the affairs of (a)

InLink Limited of 7th Floor, Lacon House, 84 Theobalds Road, London, WC1X 8NL

(b) Insert date

On the (b) 26 November 2019, the date that the Company entered Administration.

### Statement of Truth

I believe that the facts stated in this Statement of Affairs are a full, true  
and complete statement of the affairs of Inlink Limited as at (b)

Full name

NAREN PATAR

Signed

Naren Patar

Dated

Jan 17, 2020

**INSOLVENCY ACT 1986**

**DIRECTORS STATEMENT OF AFFAIRS**

**A - Summary of Assets**

<b>Assets</b>	<b>Book Value £</b>	<b>Estimated to realise £</b>
<b>Assets subject to specific agreement:</b>		
Inlink Units		3,552,000
Less: Amounts owing to AF		(3,552,000)
<b>Assets subject to fixed charge:</b>		
Inlink Units		1,448,000
Intangibles		-
<b>Total</b>		<b>1,448,000</b>
<b>Assets subject to a floating charge:</b>		
Cash at bank		3,202,818
Debtors		4,623,826
Pre-payments		25,000
<b>Total</b>		<b>7,851,644</b>
<b>Estimated total assets available for preferential creditors</b>		<b>9,299,644</b>

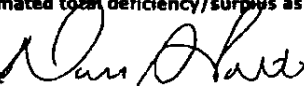
Signature 

Date 17 Jan 2020

**INSOLVENCY ACT 1986****DIRECTORS STATEMENT OF AFFAIRS****A1 -Summary of liabilities**

	<b>Estimated Claim £</b>	<b>Estimated to realise £</b>
<b>Estimated total assets available for preferential creditors (carried from page A)</b>		<b>9,299,644</b>
<b>Liabilities</b>		
Preferential creditors	-	
<b>Estimated deficiency/surplus as regards preferential creditors:</b>		<b>9,299,644</b>
Estimated prescribed part of net property where applicable (A) (to carry forward)	(600,000)	
<b>Estimated total assets available for floating charge holders (B)</b>		<b>8,699,644</b>
Debts secured by floating charges		
<b>Estimated deficiency/surplus of assets after floating charges</b>		<b>(20,276,356)</b>
Estimated prescribed part of net property where applicable (A) (brought down)	600,000	
<b>Total assets available to unsecured creditors (A)</b>		<b>600,000</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>		<b>(11,107,854)</b>
Shortfall to floating charge holders (brought down) (B)	(20,276,356)	
<b>Estimated deficiency/surplus all creditors</b>		<b>(31,384,210)</b>
Issued and called up capital		
<b>Estimated total deficiency/surplus as regards members</b>		<b>(46,384,210)</b>

Signature



Date

17 Jan 2020

### **Schedule of Creditors**

Key	Name
CPCP05	POSTERSCOPE LIMITED
CFCF03	Foster Installations LTD
CB0001	BROADSIDE POSTING SERVICES LTD
CB0002	BRUNT MEDIA LTD
CB0003	BT PAYPHONES
CB0004	BT WHOLESALE
CC0001	CITYBRIDGE, LLC
CC0002	COASTLINE POSTER SERVICES LTD
CDCD01	DC TRANSPORT & ENGINEERING LTD
CFCF01	FLUX ADVERTISING LIMITED
CFCF02	FOSTERS INSTALLATIONS LTD
CH02	HM Revenue & Customs
CHCH03	HOTWIRE PUBLIC RELATIONS LIMITED
CHCH04	Hotwire
CICI05	INTERSECTION DESIGN & TECHNOLOGY
CJ0001	JOHN COMAISH ADVERTISING SERVICES LTD
CK0001	KEY SYSTEMS LIMITED
CK0002	KINETIC WORLDWIDE LIMITED
CK0003	KINETIC ADVERTISING LIMITED
CM0001	M&M OUTDOOR MEDIA
CM0002	MITIE CLEANING & ENVIROMENT SERVICES LTD
CM0003	MWW COMMUNICATION UK LIMITED
CN0001	NEWTOWNABBAY ADVERTISING
CN0002	NORTHWEST MEDIA SERVICES LTD
CPCP04	POSTER MANAGEMENT LTD
CPCP06	PREMIER POSTING SERVICES
CPCP07	PRIMESIGHT LIMITED
CSCS01	SHEPPER LIMITED
CSCS02	SPINVIEW UK LTD
CSCS03	SSE SOUTHERN ELECTRIC (NR)
CT0001	TALON OUTDOOR LTD
CT0002	TRIWONDER SIGNS LTD

#### **Appendix 4 – Analysis of Time Charged and Expenses Incurred**

**111759 INLINK LIMITED**

**ANALYSIS OF TIME COSTS FOR THE PERIOD 12/11/2019 to 25/11/2019**

ADP-Admin. - Pre Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
	1.00	0.00	0.00	0.00	0.00	1.00	530.00	530.00
<b>Administration and Planning</b>								
Cashiering & accounting	0.60	0.20	0.00	2.10	0.00	2.90	803.00	276.90
Dealing with notice of intention to appoint	1.10	0.00	0.00	0.00	0.00	1.10	583.00	530.00
Dealings with Directors and Management	2.60	2.25	0.00	0.00	0.00	4.85	2,390.50	492.89
IPS set up & maintenance	0.00	0.00	0.00	4.15	0.00	4.15	477.25	115.00
Insurance	0.90	0.00	0.00	0.00	0.00	0.90	477.00	530.00
Strategy planning & control	1.70	57.25	0.00	3.15	0.00	62.10	22,868.25	368.25
Tax Compliance / Planning	0.00	2.00	0.00	0.00	0.00	2.00	670.00	335.00
<b>Creditors</b>								
Communications with Creditors / Employees	0.60	0.00	0.00	0.00	0.00	0.60	318.00	530.00
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.20	0.00	0.20	42.00	210.00
Prescribed Part	1.20	0.00	0.00	0.00	0.00	1.20	636.00	530.00
Secured Creditors	0.50	8.80	0.00	0.00	0.00	9.30	3,960.50	425.86
<b>Investigations</b>								
Forensic Sales Ledger Investigation	0.70	0.00	0.00	0.00	0.00	0.70	371.00	530.00
<b>Realisation of Assets</b>								
Hire Purchase and Lease Assets	0.00	0.50	0.00	0.00	0.00	0.50	167.50	335.00
Other Tangible Assets	0.00	1.00	0.00	0.00	0.00	1.00	335.00	335.00
Plant & Machinery & Fixtures & Motor Vehicles	0.00	1.70	0.00	0.00	0.00	1.70	569.50	335.00
Sale of business	0.00	40.85	0.00	0.00	0.00	40.85	16,473.50	403.27
Stock & Work In Progress	1.00	0.00	0.00	0.00	0.00	1.00	530.00	530.00
<b>Total Hours:</b>	<b>11.90</b>	<b>114.55</b>	<b>0.00</b>	<b>9.60</b>	<b>0.00</b>	<b>136.05</b>		<b>383.70</b>
<b>Total Fees Claimed: £</b>	<b>6,307.00</b>	<b>44,517.00</b>	<b>0.00</b>	<b>1,378.00</b>	<b>0.00</b>		<b>52,202.00</b>	

Category 2 Disbursements:

**111759 INLINK LIMITED**
**ANALYSIS OF TIME COSTS FOR THE PERIOD 12/11/2019 to 20/01/2020**

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	0.00	0.00	4.45	0.00	4.45	771.75	173.43
Cashiering & accounting	0.00	3.30	0.60	12.05	0.00	15.95	4,001.50	250.88
Dealings with Directors and Management	0.00	0.00	0.00	0.50	0.00	0.50	105.00	210.00
IPS set up & maintenance	0.00	0.00	0.00	8.35	0.00	8.35	1,513.50	181.26
Insurance	0.00	0.00	0.00	2.30	0.00	2.30	483.00	210.00
Statement of affairs	0.00	1.10	0.00	2.65	0.00	3.75	934.50	249.20
Statutory matters (Meetings & Reports & Notices)	0.00	17.85	0.00	32.65	0.00	50.50	13,215.00	261.68
Strategy planning & control	0.50	15.35	0.00	13.40	0.00	29.25	8,003.75	273.63
Tax Compliance / Planning	0.00	0.00	0.00	0.35	0.00	0.35	73.50	210.00
<b>Creditors</b>								
Communications with Creditors / Employees	0.00	0.50	0.00	10.45	0.00	7.65	1,726.50	225.69
Non Pref Creditor claims adjudication & dist'n	0.00	0.00	0.00	0.00	0.00	2.60	468.00	180.00
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	5.80	0.00	2.50	450.00	180.00
Pref claims adjudication & distribution	0.00	0.00	0.00	0.00	0.00	4.00	720.00	180.00
Secured Creditors	0.00	14.05	0.00	1.25	0.00	15.30	6,205.50	405.59
<b>Investigations</b>								
CDDA & reports & Communication	0.00	1.00	0.00	0.35	0.00	1.35	523.50	387.78
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	0.50	0.00	0.50	57.50	115.00
<b>Realisation of Assets</b>								
Book debts	0.00	48.55	0.00	23.25	0.00	71.80	21,165.50	294.78
Other Tangible Assets	0.00	2.40	0.00	0.00	0.00	2.40	804.00	335.00
<b>Trading</b>								
Trading - Accounting	0.00	0.00	0.00	20.60	0.00	20.60	4,326.00	210.00
Trading - Insurance	0.00	0.00	0.00	0.40	0.00	0.40	84.00	210.00
Trading - Operations	0.00	61.60	0.00	5.95	0.00	67.55	23,938.00	354.37
Trading - Sale of business	0.50	34.50	0.00	1.85	0.00	36.85	14,511.00	393.79
<b>Total Hours:</b>	<b>1.00</b>	<b>200.20</b>	<b>0.60</b>	<b>147.10</b>	<b>0.00</b>	<b>348.90</b>		<b>298.31</b>
<b>Total Fees Claimed: £</b>	<b>530.00</b>	<b>75,238.75</b>	<b>204.00</b>	<b>28,108.25</b>	<b>0.00</b>		<b>104,081.00</b>	

Category 2 Disbursements:

## Narrative of work carried out for the period from 26 November 2019 to 20 January 2020

The key areas of work have been:

### SIP 9 narrative for the period 26 November 2019 to 20 January 2020

#### Administration and planning

- Monitoring and reviewing the Administration strategy;
- Regular case management and reviewing of process including regular team update meetings and calls;
- Meeting with management to review and update strategy and monitor progress;
- Reviewing and authorising junior staff correspondence and other work;
- Dealing with queries arising during the appointment;
- Reviewing matters affecting the outcome of the Administration;
- Allocating and managing staff case resourcing and budgeting exercises and reviews;
- Developing and maintaining an estimated outcome statement used to help determine the Administration strategy;
- Liaising with legal advisors regarding various instructions; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.
- Drafting progress statutory progress reports.

#### Creditors

- Updating the list of non-preferential creditors;
- Responding to enquiries from creditors regarding the Administration and submission of their claims;
- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; and
- Providing written and oral updates to the Secured Creditors regarding the progress of the Administration and cases strategy;
- Undertaking work in relation to the Prescribed Part, including but not limited to; recording and agreeing claims, distributing to creditors and dealing with any queries raised by creditors.

#### Investigations

- Managing and reviewing the Company books and records;
- Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;
- Obtaining records from third parties;
- Conducting interviews with counterparties and officeholders;
- Enquiring with counterparties who has raised disputes against the Company;
- Reviewing pre-appointment transactions; and
- Documenting investigations.

#### Statutory and compliance

- Ensuring compliance with all statutory obligations within the relevant timescales;
- Uploading information to the Creditors' Portal/Website;
- Drafting and publishing progress reports;
- Running decision procedures;
- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;
- Monitoring the fees estimate; and

- Monitoring the expenses estimate.
- Cashiering
- Preparing statutory receipts and payments accounts;
  - Renewing bonding and complying with statutory requirements;
  - Making payments and journaling receipts;
  - *Periodic reviews of the Administration accounting records.*
- Asset realisations
- Collating information from the Company's records regarding assets;
  - Reviewing outstanding debtors and management of debt collection strategy;
  - Seeking legal advice in relation to book debt collections;
  - Liaising with third parties regarding costs incurred;
  - Liaising with collection agents regarding the book debt collections;
  - Updating collections ledger;
  - Communication with debtors and consulting agents for advice.
- Trading
- Attending to supplier and customer queries and correspondence;
  - Reviewing invoices to ensure they correspond with the relevant purchase orders;
  - Raising payments to suppliers in respect of Administration costs; and
  - Ensuring accurate accounting for the trading period;
  - Contacting all suppliers to obtain final invoices for the trading period.
- Tax
- Working on tax returns relating to the periods affected by the Administrator;
  - Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
  - Dealing with post appointment tax compliance.

We have incurred the following disbursements during the period 26 November 2019 to 20 January 2020.

<b>SIP 9 – Disbursements</b>					
<b>Disbursements</b>	<b>Category 1</b>		<b>Category 2</b>		<b>Totals (£)</b>
	<b>Paid (£)</b>	<b>Unpaid (£)</b>	<b>Paid (£)</b>	<b>Unpaid (£)</b>	
Accommodation	0.00	0.00	0.00	0.00	<b>0.00</b>
Courier and delivery costs	0.00	0.00	0.00	0.00	<b>0.00</b>
Meals	0.00	0.00	0.00	0.00	<b>0.00</b>
Postage	0.00	0.00	0.00	0.00	<b>0.00</b>
Mileage	0.00	0.00	0.00	0.00	<b>0.00</b>
Travel	242.00	0.00	0.00	0.00	<b>242.00</b>
<b>Total</b>	<b>242.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>242.00</b>

## **Appendix 5 – Fee Estimate**

## Fees Estimate

### Project: (111759) IL Realisations Limited (formerly Inlink Limited) (In Administration)

From Nov 26, 2019 To Nov 25, 2020

Comments

Administration - Post Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Case review and Case Diary management	1.00	2.00	0.00	6.00	0.00	9.00	2,510.00	278.89
Cashiering & accounting	0.50	6.00	0.60	20.00	0.00	27.10	6,736.00	248.56
Dealings with Directors and Management	0.00	3.00	0.00	3.00	0.00	6.00	1,890.00	315.00
Insurance	0.00	0.00	0.00	3.00	0.00	3.00	540.00	180.00
IPS set up & maintenance	0.00	0.00	0.00	10.00	0.00	10.00	1,800.00	180.00
Statement of affairs	0.00	1.50	0.00	3.00	0.00	4.50	1,215.00	270.00
Statutory matters (Meetings & Reports & Notices)	2.00	25.00	0.00	50.00	0.00	77.00	21,310.00	276.75
Strategy planning & control	2.50	23.00	0.00	21.00	0.00	46.50	15,455.00	332.37
Tax Compliance/Planning	0.00	0.50	0.00	1.50	0.00	2.00	495.00	247.50
Creditors								
Communications with Creditors/Employees	0.00	2.00	0.00	13.00	0.00	15.00	3,240.00	216.00
Non Pref Creditor claims adjudication and dist'n	1.00	1.00	0.00	8.00	0.00	10.00	2,420.00	242.00
Non Pref Creditors / Employee claims handling	0.00	1.00	0.00	8.00	0.00	9.00	1,890.00	210.00
Pref claims adjudication & distribution	0.00	1.00	0.00	4.00	0.00	5.00	1,170.00	234.00
Prescribed Part	1.00	3.00	0.00	18.00	0.00	22.00	5,120.00	232.73
Secured Creditors	2.00	25.00	0.00	4.00	0.00	31.00	13,030.00	420.32
Investigations								
CDDA, reports & Communication	2.00	4.00	0.00	10.00	0.00	16.00	4,660.00	291.25
Financial review and investigations (S238/239 etc)	1.00	2.00	0.00	11.50	0.00	14.50	3,500.00	241.38
Realisation of assets								
Book debts	3.00	85.00	0.00	30.00	0.00	118.00	45,240.00	383.39
Freehold & Leasehold Property	0.00	0.00	0.00	0.50	0.00	0.50	90.00	180.00
Hire Purchase and Lease Assets	0.00	0.00	0.00	1.00	0.00	1.00	180.00	180.00
Other Intangible Assets	0.00	0.00	0.00	1.00	0.00	1.00	180.00	180.00
Other Tangible Assets	1.00	2.40	0.00	4.00	0.00	7.40	2,330.00	314.86
Pre-Appointment Tax Reclaims	0.00	0.00	0.00	2.50	0.00	2.50	450.00	180.00
Trading								
Trading - Accounting	0.00	0.00	0.00	27.00	0.00	27.00	4,860.00	180.00
Trading - Hire Purchase Matters	0.00	0.00	0.00	0.50	0.00	0.50	90.00	180.00
Trading - Insurance	0.00	0.00	0.00	1.50	0.00	1.50	270.00	180.00
Trading - Operations	0.00	65.00	0.00	8.00	0.00	73.00	30,690.00	420.41
Trading - Sale of Business	1.50	40.00	0.00	4.00	0.00	45.50	19,515.00	428.90
<b>Total Hours</b>	<b>17.00</b>	<b>252.40</b>	<b>0.60</b>	<b>270.00</b>	<b>0.00</b>	<b>540.00</b>		
<b>Total Estimated Fees</b>	<b>9,010.00</b>	<b>113,580.00</b>	<b>171.00</b>	<b>48,600.00</b>	<b>0.00</b>		<b>190,876.00</b>	

## **Appendix 6 – Fee Narrative**

## **IL Realisations Limited (formerly Inlink Limited) (In Administration) ("the Company")**

Sarah Bell and Steven Muncaster were appointed Joint Administrators of the Company on 26 November 2019.

### **Introduction**

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Statement of Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

### **Estimated Fees and Expenses**

The Joint Administrators propose that their fees be based on Duff & Phelps' time costs.

The ability for the Joint Administrators to draw fees is dependent on asset realisations and the authority of the Secured Creditor. The Secured Creditor is asked to approve the basis of the fees and the Fee Estimate, which effectively acts as a cap on the fees that can be drawn (subject to the Joint Administrators' ability to seek an increase in the approved amount from creditors, if appropriate).

The amount expected to be incurred in time costs by the Joint Administrators over the life of the Administration, assuming it is closed by the automatic end date on 25 November 2020, is detailed at Appendix 5 - Fee Estimate. However, this does not include the further time costs of any subsequent Liquidation of the Company. The Company will only be placed into Liquidation if there are funds available to distribute to creditors other than by virtue of the prescribed part.

Appendix 7 illustrates the estimated expenses for the whole of the Administration and is for information purposes (and does not require approval by any class of creditor). This estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in the Joint Administrators' progress reports.

It should be noted that these expenses will only be paid if realisations allow sufficient funds to do so and in this instance, these costs may not be incurred if there are likely to be insufficient funds to pay them.

### **Estimated Return to Creditors**

The outcome for all classes of creditor is referred to in detail in the main body of the report, the contents of which have been summarised below:

#### **Secured Creditor**

A distribution has been made to the Secured Creditor. Further distributions may be made dependent upon realisations.

#### **Preferential Creditors**

The Joint Administrators are not aware of any Preferential Creditors of the Company.

#### **Non-Preferential Creditors**

There isn't expected to be a dividend issued to the non-preferential creditors, aside from the prescribed part fund, which is expected to be the maximum permitted by statute which totals £600k. The timing of this distribution is currently uncertain.

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**DUFF & PHELPS**

## **Strategy**

### **Administration & Planning**

The role of a Joint Administrator is highly regulated, being required to conform to insolvency legislation, industry best practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, the Joint Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors.

In addition, throughout the course of the Administration, the Joint Administrators will regularly review the strategy and complete case reviews at week one, after three months, and every six months thereafter. These activities do not necessarily provide a direct financial benefit to creditors, however these are necessary to ensure that the Administration runs efficiently.

Time costs for Administration & Planning to date total £29,102. Much of this is in respect of statutory compliance.

Total time costs estimated to be incurred for Administration & Planning, total £51,951 including the costs incurred to date. Future time costs are estimated to include the following future tasks:

- Performing periodic and strategic case reviews at the intervals referred to above.
- Filing notices with Companies House at the relevant intervals.
- Dealing with tax compliance and returns.
- Preparing progress reports to all creditors of the Company every six months.
- Preparing a final report to all creditors of the Company.
- Internal strategic discussions and meetings.
- Corresponding with the Company's pre-appointment accountants in respect of tax compliance.

### **Creditors**

The Joint Administrators and case staff will liaise with any non-preferential creditors and assist them with submitting their claims in the Administration. The Joint Administrators will then adjudicate on all submitted claims to agree or reject the claims (in part or in full), for the purposes of distributing the prescribed part.

To date, the Joint Administrators have dealt with creditor queries and lodging creditors' claims that have been submitted onto the case management system. The Joint Administrators have incurred time costs of £9,570 in dealing with creditors to date.

Going forward, the Joint Administrators will continue dealing with creditors as and when queries and claims are presented, including claims for retention of title. Total time costs in respect of creditors are estimated to be £26,870 and is expected to comprise the following future tasks:

- Dealing with creditor correspondence, emails and telephone conversations regarding claims in the Administration.
- Dealing with any claims brought in respect of retention of title.
- Maintaining up to date creditor information and claims status on the case management system.
- Dealing with all matters relating to the prescribed part.
- Corresponding and liaising with the Secured Creditor regarding the Administration matters.
- Adjudicating and agreeing creditor claims, in the event a dividend will be payable.
- Distributing the prescribed part dividends to creditors.

## **Investigations**

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the directors in their management of the Company, to determine their fitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates directors' disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery, so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

The Joint Administrators estimate total time costs of £8,160 in dealing with the investigations, including any time already incurred. This process will include the following future tasks:

- Obtain the Company's historic bank statements and complete a review of the transactions
- Requesting the completion of questionnaires from the Company's Directors, review the Directors' comments and follow up with queries if required
- Investigation of any potential claims with particular attention on antecedent transactions.
- Land Registry and Companies House searches.
- Logging and reviewing creditor complaints and concerns regarding director conduct.
- Detailed review of the Company's financial statements, bank statements and books and records.
- Statutory reporting requirements to the Secretary of State in respect of directors' conduct and any resulting correspondence with the Department of Business, Energy and Industrial Strategy.

The above time estimate assumes that more detailed investigations are not required. In the event that more detailed work is required, the time costs involved are expected to be higher. If such an event shall occur, the Joint Administrators will advise creditors in future progress reports.

## **Realisation of Assets**

The fundamental duty of an Administrator is that of the recovery and realisation of the assets, the Joint Administrators' powers are designed to ensure the effective discharge of this duty.

The Joint Administrators must recover the assets of the company for the benefit of the creditors and ultimately the members, and must realise the same to affect the best possible distribution.

The Joint Administrators' actions and ongoing strategy in respect of the Company's assets is detailed below. The Joint Administrators estimate total time costs of £48,470 in dealing with asset realisations, including the time already incurred in this regard. This has and will include the following:

### **Book Debts**

The Joint Administrators estimate total time costs of £45,240 in dealing with the Book Debts, including any time already incurred.

This time represents the review of any rebate calculations, including the legal basis for any set-off and confirmation of the position with the Specialists. In addition, time will be incurred in completing bank reconciliations of the receipts and payments in relation to book debts and the relevant correspondence with the Purchasers and both Fresh Collect and Primesight, as collection agents acting on behalf of the Joint Administrators to assist with the collection of the book debts. Time will also be incurred in respect of liaising with the Secured Creditor in relation to their fixed and floating charge over the book debts.

### **Other Tangible and Intangible Assets**

The Joint Administrators anticipate incurring time costs totalling £2,510 in respect of other tangible and intangible assets.

This time relates to pursuing any refunds due from rating authorities and dealing with insurance refunds.

This time also includes considering the merits of pursuing terminal loss relief claims in relation to Corporation Tax and a potential VAT return that could result in a realisation of funds for the benefit of the estate.

#### **Trading and Sale of Business**

The Joint Administrators decided to trade the business for a short period in order to retain the value in the Company's business and assets prior to completing a going concern sale. The Joint Administrators estimate total time costs of £55,425 in trading the business, including the time already incurred in this regard. This has and will include the following:

- Updating accounts, to ensure efficient trading of the business in Administration.
- Journaling receipts and payments to clearly ascertain the Company's position.
- Overseeing the day to day business operations, including discussions with suppliers, meetings with management and supervision of the Company's trading.
- Making payments to bill posters and cleaning suppliers to ensure that the Company trade continue unimpeded.
- Negotiating with the Purchaser prior to the sale of the Company's business and assets.
- Completing the sale of the Company's business and assets.
- Finalising all payments due during the trading period.
- Reconciling trading period accounts.
- Corresponding with insurers to maintain adequate cover during the trading period.

## **Appendix 7 – Expenses Estimate**

# IL Realisations Limited (formerly Inlink Limited) (In Administration)

Analysis of the Joint Administrators' Estimated Expenses for the period of the Administration

Note	Company	Type of Expenses	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost
1	Professional Advisors					
2	Shaw Gibbs	Accountants fees	Preparation of Corporation Tax return and other taxation matters	Not yet instructed	Time costs plus disbursements	10,000.00
3	Fresh Collect Ltd	Book debts	Engaged to collect outstanding book debts	26-Nov-19	% of collections	22,000.00
3	Primesight Ltd.	Book Debts	Engaged to collect the specialist book debts	26-Nov-19	% of collections	68,000.00
4	DLA Piper LLP	Legal fees	Ad hoc legal matters, including post Administration compliance with the Sale Purchase Agreements	26-Nov-19	Time cost plus disbursements	140,000.00
	Spreckley Partners Ltd	Public Relations	Press releases for placing the Company into Administration Provided PR advice.	26-Nov-19	Time costs plus disbursements	8,000.00
	<b>Total Professional Advisors Costs</b>					<b>248,000.00</b>
	<b>Other</b>					
5	Total Data Management	Statutory Compliance	Storage Agents - Instructed to store the Company's books and records as well as the Joint Administrators' records	Not yet instructed	Cost per unit	350.00
	Insolvency Risk Services	Insurance	Insurance of Company assets during the Administration period	26-Nov-19	Fixed Cost	lbc
6	Courts Advertising Limited	Statutory Compliance	Statutory Advertising of notice of Administration in the London Gazette	05-Dec-19	As incurred	• 97.20
	<b>Total Other Expenses</b>					<b>447.20</b>
	<b>Total Expenses</b>					<b>248,447.20</b>
	<b>Disbursements</b>					
7	Category 1 Disbursements					
8	Bond Premium					225.00
9	Ground Travel					1,000.00
9	Subsistence					100.00
10	Sundry					500.00
	<b>Total Category 1 Disbursements</b>					<b>1,825.00</b>
11	Category 2 Disbursements					
	Mileage @ 45p per mile					0.00
	<b>Total Category 2 Disbursements</b>					<b>0.00</b>
	<b>TOTAL</b>					<b>250,272.20</b>

#### Notes to Estimated Expenses Schedule

- 1 The Administrators' choice of professional advisors is based on their perception of the experience and ability of the respective firm / individual to perform their work, the complexity and nature of the assignment and the basis of their fee.
- 2 Shaw Gibbs have been instructed to provide transaction tax and VAT advice to the Joint Administrators. They may also be required to provide advice in relation to Corporation Tax matters during the Administration period.
- 3 Fresh Collect and Primesight have been instructed by the Joint Administrators to act in relation to the collection of the outstanding book debt ledger. The debtor ledger has been separated into two groups of debtors to be pursued by each of the agents respectively. This was determined based on the agents position in the market, relationship with the debtors and their expertise. Both agents will receive payment on a 2% (plus VAT) of collections.
- 4 DLA Piper LLP were instructed by the Joint Administrators to act in relation to the appointment of the Joint Administrators and to prepare the relevant documentation in respect of the sale purchase agreement. Further advice may be due on an ad hoc basis.
- 5 Books and records of the Company will be stored offsite with an external provider for at least the duration of the Administration plus one year. In addition, it is a statutory requirement that books and records of the Joint Administrators must be kept for six years after the conclusion of the Administration.
- 6 Statutory advertising in the London Gazette is required under insolvency legislation.
- 7 Category 1 Disbursements are payments to independent third parties where the specific expenditure is directly referable to the Administration.
- 8 It is a statutory requirement for Insolvency Practitioners to have a bond on each case to which they are appointed. The cost is based on the value of assets.
- 9 Ground travel and meals may be incurred by the Joint Administrators in the travel to meetings with the Secured Creditor or in attending the Company's offices to discuss matters of the Administration.
- 10 Sundry disbursements may be incurred in the general course of the Administration and will be reported upon in the Joint Administrators' future progress reports
- 11 Category 2 Disbursements are costs that are directly referable to the Administration but not to a payment to an independent third party

## **Appendix 8 – Statement of Creditors' Rights**

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)*

*Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Daniel Ryan at [Daniel.O.Ryan@Duffandphelps.com](mailto:Daniel.O.Ryan@Duffandphelps.com).

### **Information for Creditors on remuneration and disbursements of Administrators**

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/Creditor-guides-and-employee-fact-sheets>

Click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office.

### **Creditors may requisition a physical meeting of Creditors for approval of the Joint Administrators' Proposals under Rule 15.6 of the Insolvency (England and Wales) Rules 2016**

The Joint Administrators shall summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the following procedures are followed:

The request for a requisitioned physical meeting must be made within five business days of the date on which the Joint Administrators' Proposals were delivered and include either:

- (a) a statement of the requesting creditor's claim together with:
  - a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values; and
  - confirmation of concurrence from each creditor; or
- (b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors.

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

If you wish to request a physical Creditors' meeting, please complete and return the physical meeting requisition form available on the website.

### **Creditors may requisition a decision to be made by all of the Creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986**

The Joint Administrators shall seek a decision from the Company's Creditors as to whether they approve the Proposals if requested by Creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within eight business days of the date on which the Joint Administrator's statement of Proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting Creditor's claim together with:

- a list of the Creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each Creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors.

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting Creditor of the deposit sum.

## **Appendix 9 – Proof of Debt Form**

# **PROOF OF DEBT - GENERAL FORM**

<p align="center"><b>Inlink Limited - in Administration</b> <b>Company No. 09977808</b></p>		
<p align="center">Date of Administration: 26 November 2019</p>		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	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	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator

## Appendix 10 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents / SIA	SIA Group Asset Ingenuity Ltd., independent agents who were instructed to value the assets of the Company
the Appointment Date	26 November 2019, being the date of appointment of the Joint Administrators
the Bank / Bank of Scotland	Bank of Scotland PLC, with whom the Company banked and the holder of a fixed charge over the Company's clearing accounts
BT	British Telecommunications PLC, the Purchaser of the business and assets of the Company and prior to the Administration, a key trading partner
BT6	BT6, a specific advertising terminal model
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
CBAF	Close Brothers Asset Finance, with whom the Company entered into several sale and lease agreements
the Company	IL Realisations Limited (formerly Inlink Limited) (In Administration) (Company Number: 09977808)
DBEIS	Department for Business, Energy & Industrial Strategy
DLA Piper	DLA Piper LLP, the Joint Administrators' solicitor
the Directors	Allison Hoffman, Christopher Grosso, Darren Singer and Naren Patel, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Fresh Collect	Fresh Collect Ltd., collection agents engaged by the Joint Administrators to assist with the collection of the Company's non-Specialist book debts
HMRC	HM Revenue and Customs
Intersection	Intersection London Limited, data service provider who held a 50% shareholding in the Company
the Joint Administrators	Sarah Bell and Steven Muncaster of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NOA	Notice of Appointment of Administrators
NOI	Notice of Intention to Appoint Administrators

the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
Primesight	Primesight Limited, an out-of-home media company who held a 50% shareholding in the Company. In addition, Primesight have been engaged to assist the Joint Administrators with the collection of the Specialist book debts
the Purchaser	British Telecommunications PLC, the purchaser of the business and assets of the Company
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
RiverRock	RiverRock European Opportunities Fund II Limited, the holder of a fixed and floating charge over the Company's assets
the Secured Creditors	RiverRock and the Bank of Scotland
Shaw Gibbs	Shaw Gibbs Ltd, the Joint Administrators' accountants
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation supplied by the Directors outlining the Company's financial position as at the Appointment Date
the Specialists	Specialist media advertising agencies as listed as follows: Kinetic Worldwide Ltd; Talon Outdoor Ltd (including CCS and Apple); Posterscope (a Trading Division of Aegis Media Ltd.); Rapport Outdoor Limited; and Poster Management Ltd.

## **Appendix 11 – Notice about this statement of Proposals**

This Statement of Proposals has been prepared by Sarah Bell and Steven Muncaster, the Joint Administrators of the Company, 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 purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

These Proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Company or any other company in the same group.

Any estimated outcomes for Creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on these proposals 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 these Proposals.

Sarah Bell and Steven Muncaster are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the Administration.