

AM03

Notice of administrator's proposals



Companies House

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eshouse

1 Company details

Company number 1 1 4 1 2 3 3 2

Company name in full Clear Artificial Intelligence Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Nicholas

Surname Simmonds

3 Administrator's address

Building name/number 1st floor

Street 21 Station Road

Post town Watford

County/Region Herts

Postcode WD17 1AP

Country

4 Administrator's name ①

Full forename(s) Chris

Surname Newell

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1st floor

Street 21 Station Road

Post town Watford

County/Region Herts

Postcode WD17 1AP

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

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Statement of proposals



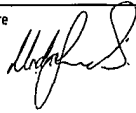
I attach a copy of the statement of proposals

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Sign and date

Administrator's
Signature

Signature



Signature date

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AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Glenn Adams
Company name	Quantuma Advisory Limited
Address	1st floor 21 Station Road
Post town	Watford
County/Region	Herts
Postcode	W D 1 7 1 A P
Country	
DX	
Telephone	01923 954170



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

High Court of Justice - Business and Property Courts 003267

**Clear Artificial Intelligence Limited
In Administration**

THE JOINT ADMINISTRATORS' PROPOSAL

**Nicholas Simmonds and Chris Newell
Joint Administrators**

Quantuma Advisory Limited

1st floor, 21 Station Road, Watford, Herts, WD17 1AP

01923 954170

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1. Executive Summary

- 1.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2 The business was established in June 2018 and the principal activity of the Company was other information technology service activities, and traded from licensed premises at 12 David Mews, London, W1U 6EG. On 5 August 2020, Nicholas Simmonds and Chris Newell of Quantuma Advisory Limited were appointed Joint Administrators of the Company by the Director.
- 1.3 As explained in more detail in the Statement of Proposals, the Joint Administrators are currently pursuing the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date	Anticipated future realisations	Total anticipated realisations
IP / goodwill	Nil	Uncertain	Uncertain
Furniture & equipment	Nil	Uncertain	Uncertain
Debtors	Nil	Uncertain	Uncertain
VAT refund	Nil	Uncertain	Uncertain
Cash at bank	Nil	Uncertain	Uncertain

Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Joint Administrators' fees	24,290	15,994	40,284
Solicitors' fees	500	1,000	1,500
Agents' fees	1,000	Uncertain	TBC
All other expenses	296	330	623

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	N/A	N/A
Secured creditor (floating charge)	N/A	N/A
Preferential creditors	Nil	Uncertain
Unsecured creditors	Nil	Uncertain

- 1.5 The Statement of Proposals at Appendix I provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as other statutory information.
- 1.6 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors'

consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.

- 1.7 Definitions of the terms used in this Proposal are provided in Appendix I together with all statutory information pertaining to the Company.

2: Statement of Pre-Administration Costs

- 2.1 Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered Administration but with a view to its doing so.

This statement outlines those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

- 2.2 The Company agreed with the proposed Joint Administrators that Quantuma Advisory Limited be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates in the region of £6,000 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Clear Artificial Intelligence Limited into Administration. This estimate was exceeded due to the extended timeframe which was involved prior to appointment. Total time costs prior to appointment amounted to £12,518.25 (excluding VAT).
- 2.3 Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. Due to a change in directors prior to administration, it resulted in the Company's articles of association having to be amended in order to allow a sole director to make a decision to place the Company into an insolvency procedure. Time was spent trying to obtain as much information as possible prior to administration, it was felt that this strategy would further the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. Further information regarding the work done prior to Administration is given in Attachment B to the Statement of Proposals. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second Administration objective would improve the prospects of recovery and cease the dissipation of the Company's assets via the quickest route.
- 2.4 The pre appointment costs of the Joint Administrators in the sum of £12,518.25 were incurred in relation to activities outlined above.

Attached at Appendix II is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within Appendix III are Quantuma Advisory Limited's charge-out rates and bases of disbursements.

2.5 The pre appointment disbursements of the Joint Administrators are outlined below:

Category 1	£
Total	£-
Category 2	
AML Electronic Identification Search	3.00
Total	£3.00

2.6 Solicitors, Brecher LLP, were instructed on 25 June 2020 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a fixed fee basis and consequently costs of £2,750 plus VAT were incurred in the pre administration period in connection with the following activities:

- Preparation of documents to amend the Company's articles of association
- Preparation and review of the relevant appointment documents
- Filing of the documents at Court

Brecher LLP have incurred expenses of £50 in relation to Court filing costs

All of these costs currently remaining outstanding.

2.7 We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

2.8 A summary of the total costs incurred together with details of those which were paid pre-Administration and the amounts remaining outstanding, follows below:

	Total cost incurred	Amount already Paid	Identity of party who made payment	Amount Outstanding
	£	£		£
Administrators' pre-administration Remuneration	12,518.25	-	-	12,518.25
Legal costs	2,800.00	-	-	2,800.00
Administrators' Pre-administration Disbursements				
Category 1		-	-	
Category 2	3.00	-	-	3.00
Other Insolvency Practitioners' Remuneration		-	-	
Other Insolvency Practitioners' Expenses		-	-	
Total Amount Outstanding				£15,321.25

2.9 Consequently the unpaid pre-Administration costs are as follows:

	£
Quantuma Advisory Limited's time costs (see Appendix II)	£12,518.25
Quantuma Advisory Limited's disbursements	£3.00
Solicitors' costs	£2,800.00
Total	£15,321.25

2.10 I am seeking to recover all the unpaid pre-Administration costs and expenses scheduled in paragraph 2.9 above as an expense of the Administration.

2.11 The 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 is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 9.

3. The Joint Administrators' Fees

3.1 The Joint Administrators propose to fix their fees on the following basis:

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited at the time the work is performed (plus VAT);

3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 23 September 2020. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

3.3 The charge-out rates of the Joint Administrators and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being agreed. The grades of staff instructed to assist in this matter and their key responsibilities include:

- Administrators: maintenance of the creditors' contacts database, assisting with creditors' queries and routine correspondence, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing reports to creditors and other statutory matters, and managing the cashing function.
- Managers/Directors: reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors and overseeing the tax and VAT aspects of the case.

3.4 Creditors may access a Guide to Administrators' Fees effective from 6 April 2017 at <http://www.quantuma.com/guide/creditors-guide-fees/> or a hard copy will be provided on request free of charge.

3.5 Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

4. The Joint Administrators' Expenses

- 4.1** Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or creditors. These may include, but are not limited to, legal and agents' fees, trading expenses and tax liabilities.

Disbursements are expenses initially met by, and later reimbursed to, an office holder in connection with an insolvency appointment and will fall into two categories: Category 1 and Category 2.

- Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment in question. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that administrators may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.
 - Category 2 disbursements are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors have approved the bases of their calculation.
- 4.2** Appendix III provides details of the bases of Category 2 disbursements that the Joint Administrators propose to recover from the insolvent estate and also provides details of the Category 1 and 2 disbursements as well as the other expenses that the Joint Administrators expect to incur in the Administration.

5. Proposed Work to be Undertaken

- 5.1** Set out in Appendix V is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with their estimates of the time these tasks will take to carry out in total. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Administration (including Statutory Reporting)

- 5.2** The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

- 5.3** Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension where necessary, and issuing a final report and notices;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;

- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

5.4 The Joint Administrators examine the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Joint Administrators to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

5.5 In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews.

5.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Joint Administrators' next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

5.8 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work. The Fees and Expenses Estimates presented below reflect the anticipated work in identifying potential causes of action. If any are identified and the Joint Administrators consider that additional work is required, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

5.9 The Statement of Proposals summarises the work carried out by the Joint Administrators to date in realising the Company's assets. The principal matters that require further work are:

- Continuing to ascertain the extent and ownership of the Company's IP and liaising with interested parties in relation to a potential sale;
- Continuing to pursue the Company's bankers in relation to retrieving any credit balance;
- Pursuing any outstanding debtors;

- Liaising with the landlord in respect of any rent deposits held;
- Continuing to pursue the pre-appointment VAT refund (if applicable);
- Dealing with the realisation of any computer equipment and office equipment; and
- Maintaining appropriate insurance cover on the Company's assets until they have been disposed of.

Creditors (claims and distributions)

5.10 As the Statement of Proposals explains, there a number of different classes of creditor involved in the Administration that require the Joint Administrators' attention. In particular, the Joint Administrators anticipate conducting the following key tasks:

- Assisting the employees to receive payments from the RPO and liaising with the RPO to agree its claim;
- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed; and
- Agreeing employee claims, calculating and paying a distribution to preferential creditors, if there are sufficient funds, and paying the subsequent PAYE/NI deductions to HMRC.

Proposed work to be undertaken by the Joint Liquidators

5.11 At present, it is uncertain as to whether there will be sufficient funds to pay a dividend to unsecured creditors. If it becomes apparent that funds will become available then a distribution will be carried out once the Company has moved from Administration to CVL. Separate Fees and Expenses Estimates for the Liquidation will be provided at a later date if applicable.

6. Other Information to Support the Proposed Fees

- 6.1** Attached at Appendix V is an estimate of the time that the Joint Administrators envisage the above work will take to complete. Appendix V also provides their estimate of the expenses that have been or are likely to be incurred.
- 6.2** Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.
- 6.3** In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £40,283.67 in conducting the tasks described. This estimate includes the time spent to date of £24,290.15, as described in Appendix IV.

6.4 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 above will be carried out;
- no exceptional work will need to be conducted in order to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration for more than one year, approval for which will be sought from the relevant creditors at an appropriate time.

6.5 On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

7. The Joint Administrators' Discharge

7.1 The Act requires that in the absence of a Committee the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

8. Invitation to Form a Creditors' Committee

8.1 Attached at Appendix VIII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.

8.2 In the absence of a Committee, this responsibility falls to the unsecured creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.

8.3 Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

9. Approval Process

9.1 The Joint Administrators are proposing the decisions set out below by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules. Creditors are not required to vote on these proposed decisions, but they may object to their approval. Please see the Notice Seeking Deemed Consent attached at Appendix VII for further information.

- That the Joint Administrators' Proposals (i.e. the statutory Statement of Proposals at Appendix I), be approved;
- That a Creditors' Committee will not be established; and

- That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.
- 9.2** In addition, the Joint Administrators are seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VII together with a Notice of Decision Procedure setting out the following proposed decisions:
- That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken;
 - That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma Advisory Limited's Summary; and
 - That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.
- 9.3** The Joint Administrators must receive completed forms by no later than 23.59 on 13 October 2020 to enable your vote to be counted.
- 9.4** Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix VII can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which this Proposal was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

Should you have any queries in regard to any of the above please do not hesitate to contact Glenn Adams on 01923 954170 or by e-mail at Glenn.Adams@quantuma.com.

Dated this 23 September 2020



Nicholas Simmonds
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

The affairs, business and property of Clear Artificial Intelligence Limited (in Administration) are managed by the Joint Administrators, who act as agents of the Company and contract without personal liability.

Clear Artificial Intelligence Limited (In Administration)

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

**Appendix I
to the Joint Administrators' Proposal**

High Court of Justice - Business and Property Courts 003267

**Clear Artificial Intelligence Limited
In Administration**

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

**Nicholas Simmonds and Chris Newell
Joint Administrators**

Quantuma Advisory Limited

1st floor, 21 Station Road, Watford, Herts, WD17 1AP

01923 954170

Disclaimer Notice

- This Statement of Proposals has been prepared by Nicholas Simmonds and Chris Newell, the Joint Administrators of Clear Artificial Intelligence Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for Clear Artificial Intelligence Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma Advisory Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of Quantuma Advisory Limited are licensed in the UK to act as Insolvency Practitioners.

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

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Attachments

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- C Estimated Financial Statement as at 5 August 2020 and Creditors' Details**
- D Estimated Outcome Statement**
- E The Joint Administrators' Receipts and Payments Account to 23 September 2020**

1. Introduction

- 1.1** This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2** The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3** This Statement of Proposals is being delivered to creditors on 24 September 2020.
- 1.4** Creditors are invited to decide whether to approve the Joint Administrators' proposals. Section 8 provides further details on this decision process.

2. Background to the Company

- 2.1** The business was incorporated in June 2018 and the principal activity of the Company was other information technology service activities and it traded from premises at 12 David Mews, London, W1U 6EG.
- 2.2** From August 2018 to August 2019, the Company was largely financed through revenue from a service agreement with Tradeshift Holdings Inc ("Tradeshift") which was in relation to the development of specific software, code and other IP.
- 2.3** However the development of other software, codes and prototypes were also being work upon although it is advised that there was no 'finished' product.
- 2.4** It is understood that the Company sought new investment from a syndicate of US Investors and negotiations and terms of the investment were on-going from November 2019 all the way to May 2020.
- 2.5** In January 2020, an advance of \$1,400,000 was invested into the Company and whilst negotiations were on-going when the Covid-19 crisis hit, the US Investors became wary of how capital markets were responding. In April 2020 the US Investors issued a new set of terms under which they would be willing to invest. These new terms would greatly dilute the current shareholders investment. At the same time, it became apparent that the Company had a severe lack of cash and it was unable to service the staff payroll without a further capital injection.
- 2.6** The new terms of the US Investors was rejected by the board of directors and shareholders and at this stage, the financial position of the Company was analysed by the directors and members of the management team.
- 2.7** In the middle of May the US Investors sent a revised proposal for investment however by this time the employees had not been paid for 6 weeks and a number of employees started to file letters of grievance as well as stopping to work. The position became untenable and steps were taken to enter into a form of insolvency.

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Overview of Financial Information

2.8 Extracts from the management accounts for the 12 months to 30 June 2020 and 12 months to 30 June 2019 are shown below.

2.9 Please note that this information has not been verified by the Joint Administrators or by Quantuma Advisory Limited.

Summary Profit and Loss Account

	Management Accounts for year to 30 June 2020	Management Accounts for year to 30 June 2019
	£	£
Turnover	550,559	1,681,952
Cost of Sales	(1,385,579)	(1,009,691)
Gross Profit	(835,020)	672,261
Gross Margin %	%	%
Other Expenses	(818,290)	(530,589)
(L)/EBIT	(1,653,310)	141,672

Source: Management Accounts extracted from the Company's accounting software

We are not aware of any formal accounts have been prepared or filed at the Registrar of Companies.

Summary Balance Sheet

	Management Accounts for year to 30 June 2020	Management Accounts for year to 30 June 2019
	£	£
Tangible assets	56,799	36,244
Intangible assets		
Fixed assets	56,799	36,244
Current Assets		
cash at bank	2,920	232,120
deposit - rent	28,860	24,000
debtors	982	20
Prepayments	(10,500)	19,620
	79,061	312,004
Liabilities		
Trade creditors	(222,129)	(153,107)
HMRC	(47,394)	(21,419)
Pensions	(17,009)	(300)
Payroll	(133,374)	(-)
Convertible loan	(1,053,673)	(-)
Other	(9,582)	(37,968)

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Total Liabilities	(1,483,161)	(212,794)
Net Assets	(1,404,100)	99,210

Source: Management Accounts extracted from the Company's accounting software

Management and Employees

2.10 As at 5 August 2020, the Company employed approximately 25 staff, although we have been informed that some employees' state they considered themselves constructively dismissed prior to that date.

2.11 Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

3. Events leading to the Administration

3.1 Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

3.2 Quantuma were first approached by the Company's directors on 21 May 2020 to obtain advice on the options available for the Company. Thereafter a change in legal directors was carried out.

3.3 A formal engagement letter was issued on 19 June 2020 and was signed on 21 June 2020. It was then necessary for the Company to amend its articles of association prior to the appointment of joint administrators due to it then only having one legal director.

3.4 On 5 August 2020, Nicholas Simmonds, and Chris Newell of Quantuma Advisory Limited were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Director.

3.5 The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

3.6 For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

3.7 In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link www.quantuma.com/legal-notices/.

4. The Purpose of the Administration

4.1 The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

4.3 The Joint Administrators would comment that the first objective was not achievable due to a lack of working capital and future funding and the cessation of operations had ceased in May 2020 prior to appointment. Therefore, the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

4.4 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Joint Administrators would comment that the Administration has enabled the Joint Administrators' to obtain some of the Company's records and start to deal with unravelling the position regarding the ownership of the Company's IP. Due to the lack of access to Company records and data, it is still unclear as to whether the unsecured creditors will receive a dividend.

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

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

5.1 Immediately upon appointment the Joint Administrators contacted the former management team of the Company to request their co-operation to gain access to information regarding the Company's affairs with particular regard to its financial and resource requirements. Whilst the management team provided what information and assistance they could, their access to Company systems and data platforms had been blocked in the months preceding administration due to the non-payment to providers. The Joint Administrators have now gained access to some systems but continue to pursue the remaining providers.

Sales to connected parties

5.2 There have been no sales of any of the Company's assets to connected parties since the Joint Administrators' appointment.

Assets remaining to be realised

Intellectual property

5.3 As previously disclosed, the Company created software, code and other IP for Tradeshift under a service agreement. It is understood that further code and IP was

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

also developed. We are still trying to gain access to the IP and codes as it is understood that the Company's access has been ceased due to non-payment of services. Once the Joint Administrators gain access to the information they will be in a position to ascertain the ownership of the IP the Company has created. It is therefore uncertain as to whether there will be any realisations in this regard.

Furniture & equipment

- 5.4 The Company operated from a premises in David Mews, Marylebone, London, under a licence agreement. The licence terminated on 30 June 2020, prior to the commencement of the administration. All of the Company's workforce had been working from home since the end of March 2020 due to Covid-19. The Joint Administrators have been trying to ascertain the location of the Company's laptops and equipment detailed on the fixed asset register. Our agent, Richard Birch & Co, attended site and could not locate the majority of the laptops and therefore there are on-going discussions with both the employees and the landlord in this regard.
- 5.5 The landlord is in the process of trying to enforce lien over the Company's assets left within the premises in respect of the monies due to them. This matter is on-going and it is currently uncertain as to the value of the assets becoming available for the administration estate.

Debtors

- 5.6 The Company's accounts indicates that there is one outstanding debtor. Upon examination, the debt appears aged and therefore it has been marked as uncertain to be realised.

VAT refund

- 5.7 The accounts show that a VAT refund of £36,755 was due to the Company. This will be followed up with HM Revenue & Customs ("HMRC"). We are aware that HMRC are owed PAYE/NI and Corporation Tax and therefore these funds may be subject to Crown set-off. We will be liaising with HMRC in this regard.

Cash at bank

- 5.8 The Company operated a bank account with Metro Bank plc. Despite contacting Metro Bank numerous times they have been unable to process request of transferring funds to the administration bank account due to a back log and they would not provide us details of the balance in the account.
- 5.9 The director and previous directors did not have access to the bank account and therefore were unable to provide us with an up to date figure. The most up to date accounts extracted from the Company's accounting software show the bank balance at £2,085 but this figure has not been verified. We anticipate the receipt of funds from Metro Bank imminently.

Deposit – rent

- 5.10 The Company's accounts show a deposit of £28,860. As detailed above, we have been liaising with the landlord in respect of gaining access to the premises and the Company's chattel assets. The landlord has advised that they are holding the sum of £16,260 and they intend to retain these funds in respect of rent arrears and termination charges. As this matter is on-going and therefore we have marked the recovery as uncertain in value.

Post appointment strategy

- 5.11** The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.12** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that, the advice or work contracted was the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.
- 5.13** The Joint Administrators' legal advisors have been assisting the Joint Administrators with post appointment matters.
- 5.14** Legal advice has been required in relation to dealing and requesting the co-operation from the Company's management team after appointment, as well as the landlord's intention to take lien over the Company's assets within the premises.
- 5.15** To advise on appropriate legal matters and to prepare documentation to the Company's management team, the Joint Administrators instructed IBB Law LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.16** In addition, to advise on appropriate legal matters and to prepare documentation to the landlord's solicitor's regarding the purported lien over the Company's assets, the Joint Administrators instructed Brecher LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.17** In addition, Richard Birch & Co, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of computer and office equipment, fixtures and fittings and other chattel assets where appropriate. The agents are also advising on the best method of disposal of those assets and will be assisting in their disposal. They are also assisting with the discussions regarding the ownership of the Intellectual Property.
- 5.18** All professional fees are based upon either the parties' recorded time costs incurred at their standard charge out rates or a fixed fee and will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

- 5.19** The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.

- 5.20 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcome for Creditors

- 6.1 The Director has not to date submitted a signed Statement of Affairs. We also requested Statement of Affairs from members of the management team, however we were informed that no one had access to the Company's financial systems or data to enable them to complete a form accurately. An Estimated Financial Statement of the Company, together with a list of the creditors, is attached at Attachment C for creditors' information. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.
- 6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3 Please see the comments above in Section 5 regarding the write down basis for the Company's assets.
- 6.4 The Joint Administrators have not carried out any work of the nature of an audit on the information.

Secured creditors

- 6.5 The Company did not have any secured creditors.

Preferential claims

- 6.6 Preferential claims relating to employee deductions are expected to be paid by the RPO, up to a statutory limit, who will have a corresponding preferential claim against the Company. Using the limited Company's records in our possession, they are estimated at £20,000 in respect of wage arrears (which has been capped at the statutory limit of £800 per employee) and a further £97,457 in respect of unpaid accrued holiday pay.
- 6.7 A claim for unpaid pension contributions is also anticipated, although it is yet to be quantified. There are no other known preferential claims outstanding.
- 6.8 Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.9 In this case, the prescribed part provision does not apply, as there are no secured creditors.
- 6.10 As demonstrated in the Estimated Outcome Statement attached at Attachment D, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is uncertain as to whether there will be sufficient funds to pay a distribution to any class of creditor. However, due to the possible distribution to unsecured creditors, you are requested to submit claims to the

address on the front of this report. A Proof of Debt form is provided in the document to which this forms an appendix.

- 6.11 Attached at Attachment E is the Joint Administrators' receipts and payments account for the period from 5 August 2020 to 23 September 2020.

7. The Joint Administrators' Fees

- 7.1 The Joint Administrators propose to be remunerated on the basis of the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited at the time the work is performed (plus VAT).
- 7.2 The Joint Administrators will seek approval for the basis of their fees from the unsecured creditors, unless a Creditors' Committee is established.
- 7.3 Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

- 8.1 The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules.
- 8.2 Attached to the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix, is a Notice Seeking Deemed Consent, which describes how creditors may object to the acceptance of the Statement of Proposals or to the other proposed decisions.
- 8.3 Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.
- 8.4 Unless the Joint Administrators receive the requisite number of objections to the proposed decision to approve the Statement of Proposals or of requests to convene a physical meeting as set out in the Notice, creditors will have deemed to have consented to approve the Statement of Proposals.

9. Summary of the Joint Administrators' Proposals

- 9.1 The Statement of Proposals which creditors are invited to consider, is summarised below.
- 9.2 In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:
- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

- (i) they sell the Company's assets at such time(s) and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
 - the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Nicholas Simmonds and Chris Newell will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Nicholas Simmonds and Chris Newell may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

Clear Artificial Intelligence Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Dated this 23 September 2020



**Nicholas Simmonds
Joint Administrator**

The affairs, business and property of Clear Artificial Intelligence Limited (in Administration) are managed by the Joint Administrators, who act as agents of the Company and contract without personal liability.

DEFINITIONS

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Nicholas Simmonds and Chris Newell
The Company	Clear Artificial Intelligence Limited (in Administration)
The Court	High Court of Justice - Business and Property Courts
EBIT	Earnings before interest and tax
FY	Financial year ended
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

CLEAR ARTIFICIAL INTELLIGENCE LIMITED (IN ADMINISTRATION)
STATUTORY INFORMATION

Company Name	Clear Artificial Intelligence Limited
Previous Name(s)	
Trading Name(s)	
Proceedings	In Administration
Court	High Court of Justice - Business and Property Courts
Court Reference	003267 of 2020
Date of Appointment	05 August 2020
Joint Administrators	Nicholas Simmonds and Chris Newell Quantuma Advisory Limited 1st floor, 21 Station Road, Watford, Herts, WD17 1AP
Registered office Address	c/o Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP
Company Number	11412332
Incorporation Date	13 June 2018
Company Secretary	n/a
Appointment by	Director: Mr Dileswera Rao Adatale of Ashapura Niwas, F1 304, Plot 1213, Sector 10A, Nerul 400706, Maharashtra, India
Directors at date of Appointment	Mr Dileswera Rao Adatale
Directors' Shareholdings	n/a

CLEAR ARTIFICIAL INTELLIGENCE LIMITED (IN ADMINISTRATION)

**ESTIMATED FINANCIAL STATEMENT AS AT 05 AUGUST 2020 AND CREDITORS'
DETAILS**

Clear Artificial Intelligence Limited
Company Registered Number: 11412332
Statement Of Affairs as at 5 August 2020

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Intellectual Property	Uncertain	Uncertain
Assets subject to floating charge:		
Uncharged assets:		
Furniture & Equipment	56,799.00	Uncertain
Debtors	986.00	Uncertain
VAT Refund	36,755.00	Uncertain
Cash at Bank	2,085.00	Uncertain
Deposit - Rent	28,860.00	Uncertain
Estimated total assets available for preferential creditors		NIL

Signature _____ Date _____

Clear Artificial Intelligence Limited
Company Registered Number: 11412332
Statement Of Affairs as at 5 August 2020

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	NIL
Liabilities	
Preferential Creditors:-	
Employees Holiday Pay (Count=25)	97,457.00
Employee Wage Arrears (Count=25)	20,000.00
	<u>117,457.00</u>
Estimated deficiency/surplus as regards preferential creditors	(117,457.00)
2nd Preferential Creditors:-	
	<u>NIL</u>
Estimated deficiency/surplus as regards 2nd preferential creditors	(117,457.00)
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u>
	<u>(117,457.00)</u>
Estimated prescribed part of net property where applicable (to carry forward)	<u>NIL</u>
Estimated total assets available for floating charge holders	(117,457.00)
Debts secured by floating charges post 14 September 2003	
	<u>NIL</u>
Estimated deficiency/surplus of assets after floating charges	(117,457.00)
Estimated prescribed part of net property where applicable (brought down)	<u>NIL</u>
Total assets available to unsecured creditors	(117,457.00)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors(Count=15)	234,297.00
Employees Wage Arrears(Count=25)	655,840.00
Employees Notice Pay(Count=25)	300,482.00
Employees Redundancy(Count=25)	9,684.00
HM Revenue and Customs - Corporation Tax	19,320.00
HM Revenue and Customs - PAYE/NIC	64,829.00
US Investors	1,065,393.00
	<u>2,349,845.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(2,467,302.00)
Estimated deficiency/surplus as regards creditors	(2,467,302.00)
Issued and called up capital	
Ordinary Shareholders	26.00
	<u>26.00</u>
Estimated total deficiency/surplus as regards members	(2,467,328.00)

Signature _____ Date _____

Clear Artificial Intelligence Limited
Company Registered Number: 11412332
B - Company Creditors

Key	Name	Address	£
CA00	Aviva Pension	Aviva, Wellington Row, York, YO90 1WR	30.50
CA01	Axiom Stone Solicitors	DVS House, 4 Spring Villa, Edgware, Middlesex, HA8 7EB	11,853.93
CA02	Scott Auslund		2,232.34
CB00	Barclaycard	PO Box 4000, Wigston, LE18 9EN	1,501.09
CC01	Centrum (UK) Limited	Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ	45,087.84
CC02	Centrum (UK) Ltd	Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ	48,377.11
CD00	Deliveroo	1 Cousin Lane, London, EC4R 3TE	59.49
CE00	Eden Springs UK Ltd	The Water & Coffee Company, Unit D Fleming Centre, Fleming Way, Crawley, RH10 9NN	72.05
CH01	HM Revenue & Customs - PAYE/NI	Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	64,829.00
CH02	HM Revenue & Customs - CT	Corporations Tax Team, BX9 1AX	19,320.00
CL00	Legacy Worldwide Investments II Ltd	c/o Nima Capital LLC, 712 5th Avenue, 31st Floor, New York 10019, United States of America	760,994.64
CM00	McNamara Family Trust	15803 Viewfield Rd, Monte Sereno, CA 95030, United States of America	152,198.93
CO00	OpenCorporates	Aston House, Cornwall Avenue, London, N3 1LF	91,800.00
CR00	Reed Smith	Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	4,671.60
CR01	Revenue Engine Inc	Toronto	5,896.02
CR02	Rob VanRenterghem		264.90
CT00	Tradecraft Inc	221 Main Street, 2nd Floor, San Francisco Ca 94105, USA	22,200.00
CW00	William P. Tai PSP 401K Roth	225 Hanna Way, Menlo Park, California 94025, United States of America	152,198.93
CW02	Weiden Turnbull Ltd	Munro House, Cobham, Surrey, KT11 1PP	150.00
19 Entries Totalling			1,383,738.37

Quantuma Advisory Limited
Clear Artificial Intelligence Limited
Company Registered Number: 11412332
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	Anzen Limited		Ordinary	1.00	10	0.00	0.00
HC00	Clear Holdings Limited		Ordinary	1.00	16	0.00	0.00
2 Ordinary Entries Totalling					26		

Signature _____

Clear Artificial Intelligence Limited

Schedule of Secured Creditors and Special Creditor Groups

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
n/a				

Special Creditor Groups

Creditor Group	Number of creditors in group	Total amount of claims (estimated)
Employees and former employees	25	£1,083,464
Consumers claiming amounts paid in advance for the supply of goods and services	n/a	n/a

Creditors are not prejudiced if they do not agree with the amounts contained in the statement of affairs as it will be for the relevant officeholder to deal with the admission of claims for dividend purposes (if applicable). In addition, entry on the list does not imply that the claim has been admitted.

CLEAR ARTIFICIAL INTELLIGENCE LIMITED (IN ADMINISTRATION)

ESTIMATED OUTCOME STATEMENT

CLEAR ARTIFICIAL INTELLIGENCE LIMITED - IN ADMINISTRATION

**ESTIMATED OUTCOME STATEMENT
AS AT 23 SEPTEMBER 2020**

	Note	Estimated to Realise
<u>Unencumbered Assets</u>		
Intellectual Property	1	Uncertain
Furniture & Equipment	1	Uncertain
Debtors	1	Uncertain
VAT refund	1	Uncertain
Cash at bank	1	Uncertain
Deposit	1	Uncertain
Total Assets		0
<u>Less Costs</u>		
Pre appointment costs: Quantuma LLP	2	(12,518)
Pre appointment expenses: Quantuma LLP	2	(3)
Pre appointment costs: legal fees & expenses	2	(2,800)
Joint Administrators' fees	3	(40,284)
Joint Administrators' disbursements	3	(623)
Legal fees & expenses	4	(1,500)
Agents Fees	5	(1,000)
Total Expenditure		(58,727)
Surplus available to preferential creditors		(58,727)
Preferential creditors	6	(117,457)
Estimated surplus available to floating charge creditor		n/a
Less: Estimated prescribed-part for unsecured creditors		n/a
Amount available to floating charge creditor		n/a
Shortfall to floating charge creditor c/d		n/a
Surplus available to unsecured creditors		
Prescribed part b/f		n/a
Estimated funds available to unsecured creditors		0
Trade & Expense Creditors	7	(234,297)
Employees	8	(966,006)
US Investors	9	(1,065,393)
HM Revenue & Customs - Corporation Tax	10	(19,320)
HM Revenue & Customs - PAYE/NIC	10	(64,829)
Estimated total (deficiency) as regards to creditors		(2,349,845)
Estimated distribution to preferential creditors (p in £)		Uncertain
Estimated distribution to non-preferential unsecured creditors (p in £)		Uncertain

NB All figures are subject to change and they are shown exclusive of VAT

Notes

- The value of the assets is currently uncertain as detailed in the Joint Administrators proposals
- Pre-appointment fees are based on actual fees and costs incurred. These fees will be approved by creditors in due course
- The Joint Administrators fees and disbursements are the proposed basis. These fees will be approved by creditors in due course
- Legal fees & expenses are based on costs to date and estimates to deal with remaining work
- Agents fees are based on a valuation to date. Our agent will in addition charge 10% commission on any realisations. As realisations are uncertain, this extra figure has not been included
- Estimated preferential claims of employees in respect wage arrears and holiday pay
- Estimated trade & expense creditors extracted from Company's accounting software
- Estimated unsecured claims of employees in respect wage arrears, notice pay and redundancy
- US investors owed \$1,400,000. Historic exchange rate used as at date of administration £0.7609946431/\$1
- Estimated claims extracted from Company's accounting software

CLEAR ARTIFICIAL INTELLIGENCE LIMITED (IN ADMINISTRATION)

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 23
SEPTEMBER 2020**

Clear Artificial Intelligence Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 23/09/2020

S of A £		£	£
	SECURED ASSETS		
Uncertain	Intellectual Property	NIL	NIL
	ASSET REALISATIONS		
Uncertain	Furniture & Equipment	NIL	
Uncertain	Debtors	NIL	
Uncertain	VAT Refund	NIL	
Uncertain	Cash at Bank	NIL	
Uncertain	Deposit - Rent	NIL	NIL
	PREFERENTIAL CREDITORS		
(97,457.00)	Employees Holiday Pay	NIL	
(20,000.00)	Employee Wage Arrears	NIL	NIL
	UNSECURED CREDITORS		
(234,297.00)	Trade & Expense Creditors	NIL	
(655,840.00)	Employees Wage Arrears	NIL	
(300,482.00)	Employees Notice Pay	NIL	
(9,684.00)	Employees Redundancy	NIL	
(19,320.00)	HM Revenue and Customs - Corporati	NIL	
(64,829.00)	HM Revenue and Customs - PAYE/NI	NIL	
(1,065,393.00)	US Investors	NIL	NIL
	DISTRIBUTIONS		
(26.00)	Ordinary Shareholders	NIL	NIL
(2,467,328.00)			NIL
	REPRESENTED BY		NIL

Clear Artificial Intelligence Limited (In Administration)

**BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR QUANTUMA ADVISORY
LIMITED**

Time Entry - SIP9 Time & Cost Summary

6006701 - Clear Artificial Intelligence Limited
All Pre Appointment Project Codes
From: 01/01/2020 To: 05/08/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	30.25	0.50	5.30	3.50	39.55	12,518.25	316.52
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	30.25	0.50	5.30	3.50	39.55	12,518.25	316.52
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary Category 2 Disbursements

6006701 - Clear Artificial Intelligence Limited
From: 01/01/2020 To: 05/08/2020

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Disbursement Category	Amount
19/06/2020	AML Electronic Identification Search: Vistra search	Category 2	3.00
Total			3.00

Clear Artificial Intelligence Limited (In Administration)

**CHARGE-OUT RATES AND BASES OF DISBURSEMENTS ("QUANTUMA ADVISORY
LIMITED'S SUMMARY")**



Schedule of Current Charge Out Rates and Chargeable Disbursements

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active CEO/Managing Director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma Advisory Limited, exclusive of VAT.

Grade of Staff	Rate from 15 June 2020
CEO/Managing Director	£480.00 - £580.00
Appointment Taking Director	£400.00 - £500.00
Director	£370.00 - £475.00
Senior Manager	£340.00 - £415.00
Manager	£310.00 - £375.00
Assistant Manager	£275.00 - £335.00
Senior Administrator	£235.00 - £285.00
Administrator	£200.00 - £240.00
Assistant Administrator	£135.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00
Support Staff/Executive Assistant	£100.00 - £135.00

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. There has been no allocation of any general or overhead costs.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

- Administration & Planning
- Creditors
- Investigations
- Realisation of Assets
- Trading
- Cashiering
- Closing Procedures

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

Details of historic charge out rates are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates in force prior to those shown, these can be provided upon request.

Subcontractors



Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Direct Expenses (Category 1 Disbursements)

Category 1 disbursements, as defined by SIP 9, are expenses which are directly referable both to the appointment in question and a payment to an independent third party at cost and without uplift.

These expenses, which do not require the prior approval of creditors, include but are not limited to the following examples:

Category 1 Disbursement	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Record Listing, Storage & Retrieval	At cost incurred
Postage	At cost incurred
Virtual Meeting Platform (from 6/4/17)	At cost incurred

Indirect Expenses (Category 2 Disbursements)

These are expenses that are directly referable to the appointment in question but which are not to an independent third party and may include shared or allocated costs that can be apportioned to the appointment on a proper and reasonable basis.

Specific approval for Category 2 Disbursements is required from creditors before they can be paid.

The following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) are charged to cases where appropriate on the following basis:

Category 2 Disbursement	Cost £
Photocopying, scanning and faxes (per side)	0.10
Company Search	10.00
Stationery (per Report/Letter per member/creditor)	0.50
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	0.45
Internal Meeting Room Hire (outside London)	65.00
Internal Meeting Room Hire (in London)	95.00



Category 2 Disbursement	Cost £
Electronic Anti-Money Laundering Identification Search (per search) (from 01/01/2018)	3.00

Category 2 disbursements may be subject to periodic increase and this schedule will be updated accordingly. The schedule is available for creditors to review at <http://www.quantuma.com/guide/creditors-guide-fees/>. Details of historic disbursement charges can be found at the end of this schedule.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. The fee arrangement for each will be disclosed in reports to creditors and these will be reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and disbursements invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees/>. Alternatively hard copies of these documents may be requested free of charge from Quantuma Advisory Limited's registered office.

Clear Artificial Intelligence Limited (In Administration)

**BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 05 AUGUST 2020
TO 23 SEPTEMBER 2020**

Time Entry - SIP9 Time & Cost Summary

6006701 - Clear Artificial Intelligence Limited
All Post Appointment Project Codes
From: 05/08/2020 To: 23/09/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	10.40	3.40	21.90	0.90	42.60	10,267.50	241.02
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.40	0.60	1.00	161.00	161.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.60	0.00	19.60	4.19	32.39	7,667.65	236.73
Investigations	0.00	0.00	2.80	6.80	9.60	1,478.00	153.96
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	8.80	0.00	7.30	0.00	16.10	4,718.00	292.92
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	27.80	3.40	52.00	18.49	101.69	24,290.15	238.86
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Clear Artificial Intelligence Limited (In Administration)

INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL

a) The Joint Administrators' Fees Estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IV.

**Estimate of Fees and Expenses for
Clear Artificial Intelligence Limited (In Administration)
To 04/08/2021**

Summary

	Total Hours	Avg Hourly Rate £	Time Cost £	Disbursements £	Expenses £
Classification of Work Function					
Admin & Planning	59.80	179.73	10,747.75		
Cashiering	6.50	113.65	738.75		
Closing Procedures	5.80	161.21	935.00		
Creditors	72.80	206.20	15,011.08		
Investigations	21.20	177.18	3,756.25		
Realisation of Assets	33.90	268.28	9,094.83		
	<u>200.00</u>	<u>201.42</u>	<u>40,283.67</u>		
Disbursements					
Category 1 Disbursements				2,919.60	
Category 2 Disbursements				203.00	
				<u>3,122.60</u>	
Expenses (*)					
					0.00
Totals	<u>200.00</u>	<u>201.42</u>	<u>40,283.67</u>	<u>3,122.60</u>	<u>0.00</u>

(*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

Estimates Chargeable Time	40,283.67
Total Disbursements	3,122.60
Total Expenses	0.00
Assets by Percentage (See Note 6)	0.00
Total Fees and Expenses	<u>43,406.27</u>

Details of estimated disbursements that will be paid during the period of this estimate.

Category 1 Disbursements

Agents fees	1,000.00
Legal costs	1,500.00
Postage	150.00
Specific Bond	135.00
Statutory Advertising	84.60
Storage Costs	50.00
	<u>2,919.60</u>

Category 2 Disbursements

AML Electronic Identification Search	3.00
Photocopying	100.00
Stationery	100.00
	<u>203.00</u>

Notes:

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate

**Estimate of Fees and Expenses for
Clear Artificial Intelligence Limited (In Administration)**

4. Further approval will be sought from the creditors' committee or creditors if the circumstances of the case indicate that the above fee estimate is likely to be exceeded
5. The above estimates are all exclusive of VAT
6. Where applicable, the Assets by Percentage are itemised in the section headed Asset Realisations on a Percentage Basis

Estimate of Fees and Expenses for Clear Artificial Intelligence Limited (In Administration)

Detailed Narrative

Explanatory Note:

FEE ESTIMATE

The office holders are seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

This fee estimate covers the life of the case and it is currently not anticipated that the total fees during the life of the case will exceed the estimate. However since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, should the fee estimate be exceeded and where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

The hourly charge out rates that it is anticipated will be used on the case are as follows:

	£
Partner	480
Director	370
Senior Manager	340
Assistant Manager	275
Senior Administrator	235
Administrator	200
Assistant Administrator	135

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

Explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also

Administration and planning

This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment
- Obtaining a specific penalty bond

Estimate of Fees and Expenses for Clear Artificial Intelligence Limited (In Administration)

- Recovering & Scheduling the company's books and records
- Setting up electronic case files and electronic case details on IPS
- General Administration - Dealing with all routine correspondence and emails relating to the case
- Case strategy & completing file reviews at 1 month, 2 months, 6 months and 6 months thereafter
- VAT & Corporation Tax matters and returns

Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims
- Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims
- Preparing the documentation and dealing with initial appointment notification to creditors
- Dealing with creditor correspondence, emails and telephone conversations
- Dealing with Pension Schemes
- Committee Reporting (if applicable)
- Committee Meetings, Minutes & liaising with Committee members (if applicable)
- Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice
- Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate
- Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims
- Dealing with HMRC/RPO claims
- Annual/Progress Reports
- Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors
- Interim Fee Report to Creditors
- Para 49 Administrators' Proposals

Investigations

The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary. The office holders are also required by legislation to report to the Department for Business, Energy & Industrial Strategy on the conduct of the directors. The work to enable them to comply with these statutory obligations may also identify potential recovery actions.

- SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Estimate of Fees and Expenses for Clear Artificial Intelligence Limited (In Administration)

- CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Investigating & Pursuing Antecedent Transactions

Realisation of Assets

This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

- Intellectual Property - the Joint Administrators are still trying to obtain access to the Company's IP and software. Once obtained, the ownership of the IP will need to be ascertained
- Freehold/Leasehold Property - whilst the licence of the Company's trading premises has expired, discussions are being held with the landlord in relation to the Company's assets within the premises
- Furniture & equipment - we are in discussions with the landlord with regards to the Company's equipment left in its trading premises. In addition, we are trying to ascertain the location of the staff's laptops
- Debtors - The Joint Administrators will be contacting the debtors in relation to outstanding invoices
- VAT refund - HMRC will be contacted regarding a potential VAT refund. If crown set-off is claimed, this will be reviewed.
- Cash at Bank - the Joint Administrators will continue to liaise with Metro Bank regarding the balance in the Company's bank account
- Deposit - rent - we will be liaising with the landlord in relation to the rent deposit they are holding

Cashiering

The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

- Opening, maintaining and managing the Office Holders' cashbook and bank account.
- Dealing with cheque requisitions
- Dealing with deposit forms
- Bank Reconciliations
- Preparing & Filing statutory Receipts & Payments accounts

Closing Procedures

The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

- Preparing Final Account
- Filing final statutory returns at Companies House/Court

EXPENSE ESTIMATE

Full details of Quantuma LLP's charging policy in relation to disbursements can be found at <http://www.quantuma.com/guide/creditors-guide-fees/> or alternatively a hard copy can be requested free of charge from the Quantuma LLP office dealing with this case.

b) The Joint Administrators' Expenses Estimate

Below is the expenses estimate in respect of category 1 direct expenses and category 2 expenses, which will have an element of shared or allocated costs.

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

Expenses Category 1	Basis	Estimate of total
Legal costs IBB Law LLP has been instructed to provide advice in respect of gathering Company information, potential rights of action	Fixed fee	£500
Legal costs Brecher LLP has been instructed to provide advice in respect of appointment, advice in relation to on-going legal action	Time-costs	£1,000
Agents and Valuers Richard Birch & Co has been instructed to provide a valuation and to assist with a sale of the company's assets	Fixed fee valuation & 10 % commission on any sales	£1,000
Advertising		£84.60
Bonding		£135
Postage		£150
Document storage		£50
Total		£2,919.60

Expenses Category 2	Basis	Estimate of total
Stationery	One off cost of £0.50 per letter	£100
Photocopying (other than to creditors)	10p per sheet	£100
Anti Money Laundering Identification Search	One off cost per case	£3
Total		£203

Please note that this estimate has been provided on the assumptions given in Section 6. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted estimate.

Clear Artificial Intelligence Limited (In Administration)

NOTICE OF DECISION PROCEDURE / VOTING FORM / PROOF OF DEBT

NOTICE OF DECISION PROCEDURE

Company Name: Clear Artificial Intelligence Limited (In Administration) ("the Company")
Company Number: 11412332
In the High Court of Justice - Business and Property Courts 003267

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Nicholas Simmonds and Chris Newell, of 1st floor, 21 Station Road, Watford, Herts, WD17 1AP, (telephone number 01923 954170), who were appointed by the director of the Company.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The basis of the Joint Administrators' fees
2. The approval of the Joint Administrators' Category 2 disbursements
3. The approval of the pre-Administration costs

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP
By email to: watfordvoting@quantuma.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 13 October 2020.

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:

10% in value of the creditors
10% in number of the creditors
10 creditors

A creditor may appeal a decision by application to the Court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.



Signed: _____ Dated: 23 September 2020
Nicholas Simmonds
Joint Administrator

VOTE BY CORRESPONDENCE

Clear Artificial Intelligence Limited (in Administration)

Name of Creditor: _____

Address: _____

Decisions:

1	That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.	*For / Against
2	That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma Advisory Limited's summary.	*For / Against
3	That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.	*For / Against

* Please delete as applicable to indicate your voting instructions

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)?

Yes / No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 13 October 2020, by:

Post: Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP

Email: please scan in a signed copy of this form and attach it as a pdf to watfordvoting@quanuma.com

PROOF OF DEBT - GENERAL FORM

Clear Artificial Intelligence Limited (in Administration)

Date of Administration: 5 August 2020

DETAILS OF CLAIM											
1.	Name of Creditor (if a company, its registered name)										
2.	Address of Creditor (i.e. principal place of business)										
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 										
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25										
5.	If the total amount above includes outstanding uncapitalised interest, please state										
6.	Particulars of how and when debt incurred										
7.	Particulars of any security held, the value of the security, and the date it was given										
8.	Details of any reservation of title in relation to goods to which the debt relates										
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]										
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986										
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information										
<table border="0"> <tr> <td>Category</td> <td>£</td> </tr> <tr> <td>Amount(s) claimed as preferential £</td> <td></td> </tr> <tr> <td>Account No.:</td> <td></td> </tr> <tr> <td>Account Name:</td> <td></td> </tr> <tr> <td>Sort code:</td> <td></td> </tr> </table>		Category	£	Amount(s) claimed as preferential £		Account No.:		Account Name:		Sort code:	
Category	£										
Amount(s) claimed as preferential £											
Account No.:											
Account Name:											
Sort code:											
AUTHENTICATION											
Signature of Creditor or person authorised to act on his behalf											
Name in BLOCK LETTERS											
Date											
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor											
Are you the sole member of the Creditor?											
YES / NO											

Clear Artificial Intelligence Limited (In Administration)

NOTICE SEEKING DEEMED CONSENT

NOTICE SEEKING DEEMED CONSENT

Company Name: Clear Artificial Intelligence Limited (In Administration) ("the Company")
Company Number: 11412332
In the High Court of Justice - Business and Property Courts 003267

This Notice is given under Rule 15.7 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Nicholas Simmonds and Chris Newell, of Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP (telephone number 01923 954170), who were appointed by the director of the Company.

The Joint Administrator proposes that the following decisions be made:

1. That the Joint Administrators' Proposals be approved
2. That a Creditors' Committee will not be established¹
3. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time

In respect of each of the decisions proposed above, if less than 10% in value of creditors (who would be entitled to vote if a vote were taken) ("the Threshold") object to it accordance with the procedure set out below, the creditors are to be treated as having made the proposed decision. Otherwise, the creditors are to be treated as not having made such decision and if a decision about that matter is again sought from the creditors, it must be sought using a qualifying decision procedure as defined by the Insolvency Act 1986.

In order to object to one or more of the proposed decisions, you must deliver a notice stating that you so object (and specifying to which one or more of the proposed decisions your objection relates) to the Joint Administrator not later than the time set out below. In addition, you must have also delivered a proof of debt (unless one has already been submitted) by the time set out below, failing which your objection will be disregarded.

It is the Joint Administrators' responsibility to aggregate any objections to see if the Threshold is met for the decision to be taken as not having been made.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by a decision procedure.

All objections and proofs of debt must be submitted in writing to the Joint Administrator by one of the methods set out below:

By post to: Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP

By email to: watfordvoting@quantuma.com

Please note that, if you are sending documents by post, you must ensure that you have allowed sufficient time for them to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All objections and proofs of debt must be delivered by the Decision Date: 23.59 on 13 October 2020

Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to object. A creditor who has opted out from receiving notices may nevertheless object if the creditor also provides a proof by the Decision Date.

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions.

In addition, creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider any matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.



Signed: _____
Nicholas Simmonds
Joint Administrator

Dated: 23 September 2020

NOTICE OF OBJECTIONS
Clear Artificial Intelligence Limited (In Administration)

On behalf of (name of Creditor): _____

at (address of Creditor): _____

Please indicate whether you agree or object to the following proposed decision(s):

Proposed Decision	Objected to?
That the Joint Administrators' Proposals be approved	Agree/Objected To
That a Creditors' Committee will <u>not</u> be established	Agree/Objected To
That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time	Agree/Objected To

Are you also asking the Joint Administrator to convene a physical meeting of creditors?² Yes / No

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)? Yes / No

If you wish to lodge an objection, you must have delivered it, along with a completed proof of debt, by 23.59 on the Decision Date – 13 October 2020 – by one of the following methods:

Post: Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP

Email: please scan in a signed copy of this form and attach it as a pdf to watfordvoting@quantuma.com

NOTE: if you agree with the proposed decisions set out above, you do not need to do anything

² Requests for a meeting must be delivered within 5 business days of the date of delivery of the Notice Seeking Deemed Consent.

Clear Artificial Intelligence Limited (In Administration)

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: Clear Artificial Intelligence Limited (In Administration) ("the Company")

Company Number: 11412332

In the High Court of Justice - Business and Property Courts 003267

This Notice is given under Rule 3.39 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Nicholas Simmonds, of Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP, telephone number 01923 954170, who was appointed by the director of the Company.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP

By email to: Glenn.Adams@quantuma.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 10.00am on 13 October 2020

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to:
<http://www.quantuma.com/guide/guide-creditors-committee/>



Signed: _____ Dated: 23 September 2020

Nicholas Simmonds
Joint Administrator

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

Clear Artificial Intelligence Limited (In Administration)

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No