

AM10

Notice of administrator's progress report



Companies House

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01/09/2021

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COMPANIES HOUSE

1 Company details

Company number 0 3 1 4 1 8 2 6

Company name in full Gaia Technologies Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Anthony

Surname Collier

3 Administrator's address

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

4 Administrator's name ①

Full forename(s) Ben

Surname Woolrych

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

② Other administrator

Use this section to tell us about
another administrator.



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6 Period of progress report

From date	d 1	d 6	m 0	m 2	y 2	y 0	y 2	y 1
To date	d 1	d 5	m 0	m 8	y 2	y 0	y 2	y 1

7 Progress report☐ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

X *A. Lother*

X

Signature date

d 2	d 7	m 0	m 8	y 2	y 0	y 2	y 1
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Notice of administrator's progress report



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Contact name	Peter Broadbent
Company name	FRP Advisory Trading Limited
Address	4th Floor Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	
DX	cp.manchester@frpadvisory.com
Telephone	0161 833 3344



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- ☐ You have signed the form.



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DX 33050 Cardiff.



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FRP

Gaia Technologies Plc (In Administration) ("the Company")

Business and Property Courts Leeds NO. 877 OF 2019

The Joint Administrators' Progress Report for the period 16 February 2021 to 15 August 2021 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

27 August 2021



Contents and abbreviations

FRP

Section	Content
1.	Progress of the Administration
2.	Estimated Outcome for the creditors
3.	Joint Administrators' remuneration, disbursements, expenses, and pre-appointment costs
Appendix	Content
A.	Statutory information regarding the Company and the appointment of the Joint Administrators
B.	Form AM10, formal notice of the progress report
C.	Schedule of work
D.	Details of the Joint Administrators' time costs and disbursements for the Reporting Period and cumulatively
E.	Receipts and Payments Account for the Reporting Period and cumulatively
F.	Statement of expenses incurred in the Reporting Period

The following abbreviations may be used in this report:

the Agents	Sanderson Weatherall LLP
the Bank and/or Lloyds	Lloyds Commercial Finance Ltd
the Company and/or Gaia	Gaia Technologies Plc (In Administration)
Close	Close Leasing Limited
Cerberus	Cerberus Receivables Management Limited
Colwyn/the Purchaser	Colwyn Technologies Limited
the Directors	Anas Abdulmawla, Ayad Abdulmawla, Kevin Evans and Katerina Patouchea
DFE	Secretary of State for Education / Department for Education
DLA	DLA Piper LLP
FRP	FRP Advisory LLP
Hilco	Hilco Appraisal Limited
HMRC	HM Revenue & Customs
the First Progress Report	The Joint Administrators' Progress report to creditors dated 11 March 2020
the Insolvency Rules	The Insolvency (England and Wales) Rules 2016
the Joint Administrators	Ben Woolrych and Anthony Collier of FRP Advisory LLP



Contents and abbreviations

FRP

the Managing Director	Anas Abdulmawla
NBP	New Build Projects
the Proposals	The Joint Administrators' Proposals and Report to Creditors dated 8 October 2019
the Property	Woodlands House, Ffordd Y Parc, Parc Menai, Bangor, LL57 4FA
the Second Progress Report	The Joint Administrators' Progress report to creditors dated 10 September 2020
the Secured Creditors	Bank of Scotland Plc and Lloyds
the Third Progress Report	The Joint Administrators' Progress report to creditors dated 5 March 2021
the Reporting Period	The period from 16 February 2021 to 15 August 2021
RPO	Redundancy Payments Office
SIP 9	Statement of Insolvency Practice 9 – Industry guidance in relation to disclosure of remuneration and disbursements
SoA	Statement of Affairs
Trading Period	The Joint Administrators' Trading Period 16 August 2019 to 15 November 2019

1. Progress of the Administration

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Work undertaken during the Reporting Period

The Joint Administrators attach at **Appendix C** a schedule of work undertaken during the Reporting Period together with a summary of work still to be completed.

This report should be read in conjunction with the First Progress Report, the Second Progress Report and the Third Progress Report.

Trading Period

The only transaction relating to trading in the Reporting Period has been the settlement of £18,963 of managed service income due to Close.

Certain customer invoices remain outstanding although no proceeds have been received in the Reporting Period. The Joint Administrators continue to work with Cerberus to maximise collections.

Certain supplier invoices have yet to be received. As such, the final trading outcome has yet to be finalised. As previously reported, prudent provisions included in the Joint Administrators' trading outcome statement have not crystallised. In the event these provisions remain unutilised, a trading surplus is expected.

The Joint Administrators' trading Receipts and Payments account outlining the current trading position is attached at **Appendix E**; this is prepared on a cash basis.

An updated trading account will be provided to creditors in the next progress report.

Sale of Business

As previously reported, the Joint Administrators completed a sale of the business and certain assets to Colwyn.

The consideration for the transaction with Colwyn was as follows:

Asset	Up Front (£)	6 months (£)	12 months (£)	Total (£)
Contracts	89,996	200,000	200,000	489,996
Equipment	20,000	-	-	20,000
Goodwill	10,000	-	-	10,000
Vehicles	17,000	-	-	17,000
Stock	100,000	-	50,000	150,000
Other	4	-	-	4
Total	237,000	200,000	250,000	687,000

The contract deferred consideration was contingent on contract performance and the stock consideration was payable subject to additional creditor claims over stock.

Workings provided by the Purchaser indicates the deferred consideration payable to the Administration estate will be considerably lower than the £450,000 outlined in the table above. No deferred consideration has been received to date and discussions remain ongoing with the Purchaser to finalise the position.

In order not to prejudice ongoing discussions, no additional information on the quantum of the potential consideration due to be received can be provided at this time. The Joint Administrators will continue to liaise with the Purchaser to ensure all deferred consideration payable is received into the Administration estate. An update will be provided in the Joint Administrators' next report to creditors.

1. Progress of the Administration

Assets Excluded from the Sale

Intangible assets

These assets are being managed by Lombard, independent of the Administration. No surplus from the sale of these assets is expected to be received into the Administration estate.

Freehold Property

During the Reporting Period, the Agents have continued to market the Property which is subject to legal charges in favour of Bank of Scotland and Lloyds. No sale has been completed to date.

In order not to compromise the outcome of this sales process, no further information can be disclosed at this time. An update will be provided in the Joint Administrators next progress report.

Remaining Stock

As reported in the Third Progress Report, the Joint Administrators completed a sale of a stock tranche outside of the core sale agreement with the Purchaser for £48,016 plus VAT. The proceeds of this sale were received in the Reporting Period.

Upon completion of this transaction there remained a small tranche of stock available for sale. The Joint Administrators completed a sale of this stock for £9,000 plus VAT to an unconnected third party. All proceeds were received in full.

All stock has now been realised in full. No further realisations are expected.

Book Debts

The Company's book debts are subject to an invoice discounting facility with Lloyds. Lloyds engaged Cerberus, a specialist debt collection agent, to collect the ledger.

During the Reporting Period, the Joint Administrators have continued to liaise with Cerberus to finalise the ledger outcome. There have been no further book debt collections in the Reporting Period.

The Joint Administrators will continue to liaise with Cerberus to understand whether any further book debt collections will be possible.

Rates Refunds

The Joint Administrators engaged PCA Recovery to investigate the rateable values of the trading premises and identify if any refund is available. Investigations remain ongoing; an update will be provided in the next progress report.

Other Assets

Gross bank interest of £38 has been realised in the Reporting Period.

The Joint Administrators will continue to investigate the prospect of enhancing realisations for the Administration estate.

Attached at Appendix E is a receipts and payments account detailing transactions for the Trading Period and the Reporting Period.

1. Progress of the Administration

Investigations

Part of the duties of the Joint Administrators includes carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. The Joint Administrators have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of the Joint Administrators' investigations are set out in the schedule of work attached at Appendix C. Investigations into the Company's affairs have concluded.

Extension to the initial period of appointment

The Joint Administrators have extended the Administration by a further 12 months to 15 August 2022. This application was made to and approved by the Court in accordance with Paragraph 76(2)(a) of Schedule B1 to the Act.

The period of extension shall be used to realise all remaining assets, including the Property, and to collect the outstanding deferred consideration.

Anticipated Exit Strategy

It is currently anticipated that there will be insufficient funds to permit a distribution to unsecured creditors. Therefore, it is not considered appropriate to move the Company into Liquidation.

Provided the current outcome for unsecured creditors remains the same following the extension, the Joint Administrators will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the Administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved

2. Estimated Outcome for the Creditors

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The estimated outcome for creditors was set out in the Proposals and an update is provided below.

Outcome for the Secured Creditors

Bank of Scotland Plc

In exchange for a mortgage facility, Bank of Scotland hold debenture security and a legal charge over the Property. The indebtedness to Bank of Scotland under its mortgage is c.£476k, subject to accruing interest and charges.

Any distribution to Bank of Scotland under its fixed charge will be dependent upon realisations from the sale of the Property.

Lloyds TSB Commercial Finance Limited

As at the date of appointment, the indebtedness to Lloyds under the invoice discounting facility was £1.23m, subject to accruing interest and charges.

Lloyds have been repaid in full from debtor collections.

Outcome for the Preferential Creditors

Preferential creditor claims are currently estimated to be £242k, being the employees' arrears of pay, accrued holiday and outstanding pension contributions as calculated in accordance with legislation. This also includes an assumption that a subrogated preferential claim will be submitted in respect of the wage arrears which were met at the start of the Administration.

It is expected there will be insufficient realisations to make a distribution to the preferential creditors.

Outcome for the Unsecured Creditors

According to Company records, unsecured creditors as at the date of appointment totalled £5,700,081. To date, 106 unsecured creditor claims have been received totalling £20,353,470.

It is expected there will be insufficient funds available to distribute to unsecured creditors.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

It is expected there will be insufficient net property to make a distribution to unsecured creditors under the Prescribed Part.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

FRP

Joint Administrators' Remuneration

Joint Administrators' Trading costs

Time costs incurred in respect of trading activities total £371,969 (net of legal costs).

As previously reported, the funding agreement between the DFE and the Joint Administrators allowed the Joint Administrators to draw remuneration of £240,000 directly from the funds they advanced to the Administration estate. This agreed sum has been drawn in full.

This remuneration did not require separate fee approval from any creditor class as this was agreed directly with the DFE, against sums they advanced to support trading.

Joint Administrators' Post-Administration Remuneration

Time costs incurred during the Reporting Period total £40,818. Time costs incurred across the Administration as a whole (including trading time costs) total £1,268,544. This is made up on 3,959 hours at an average hourly rate of £320. In accordance with SIP 9, a breakdown of these time costs is attached at **Appendix D**.

During the Reporting Period, the key areas of time have been incurred as follows:

- Asset realisation (£17,213) – liaising with the Agents and the Bank of Scotland in respect of a disposal strategy for the Property. Time was also spent dealing with general Property issues as well as working with the Agents to coordinate a sale of the remaining stock.
- Administration and Planning (£12,753) – time primarily spent dealing with internal case maintenance, including the completion of case reviews as required by the Joint Administrators' regulatory body.
- Statutory Compliance (£6,427) – completion of the Third Progress Report and tax matters associated with the case.

The Joint Administrators' remuneration will be drawn from the Company's assets.

Gala Technologies Plc (In Administration)
The Joint Administrators' Progress Report

It is anticipated based on the level of assets realised and identified to date in this matter that these costs will not be drawn in full and will be restricted to the level of funds available.

The basis of the Joint Administrators' remuneration being a time costs basis, up to £832,704, was approved by the Secured Creditors in the previous Reporting Period.

The Joint Administrators' fees for dealing with the assets subject to a fixed charge, will be agreed with the appropriate secured creditor.

Joint Administrators' Disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Reporting Period are set out in **Appendix D**.

No disbursements have been incurred.

Joint Administrators' Expenses

Attached at **Appendix F** is a statement of expenses that have been incurred during the Reporting Period.

Accrued non-trading expenses have totalled £1,556,436 (exclusive of distributions) over the course of the Administration (£62,440 in the Reporting Period). The level of expenses incurred has increased following the two extensions to the Administration, the level of assets to be realised and the inherent complexities of the case which has meant it has taken longer to realise certain assets (e.g. creditor claims over stock).



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3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

The final level of expenses to be incurred is uncertain but it is anticipated this will not exceed £1,700,000. Please note, however, that the limited level of asset realisations means that it is not expected that all expenses incurred will be disseminated in full.

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

FRP

<https://creditors.frp.advisory.com/info.aspx> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Joint Administrators' pre-appointment costs

The following costs had not been paid when the Company entered Administration:

Fees Incurred by	Fees (£)	Disbursements (£)
FRP Advisory LLP	45,364	769
Sanderson Weatherall LLP	1,700	130
DLA Piper UK LLP	43,089	1,786
Total	90,153	2,685

The above does not include VAT.

The Joint Administrators drew their pre-appointment costs during the third reporting period in full. DLA's pre-Administration costs were paid during the second reporting period. Only the Agents' remuneration remains outstanding.

Appendix A

Statutory Information regarding the Company and the appointment of the Joint Administrators

FRP

GAIA TECHNOLOGIES PLC (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names: None

Company number: 03141826

Registered office: c/o FRP Advisory LLP
4th Floor Abbey House
32 Booth Street
Manchester
M2 4AB

Previous registered office: Woodlands House
Parc Britannia
Parc Menai
Bangor
Gwynedd
LL57 4FA

Business address: Woodlands House
Parc Britannia
Parc Menai
Bangor
Gwynedd
LL57 4FA

ADMINISTRATION DETAILS:

Administrators: Anthony Collier & Ben Woolrych

Address of Administrators: FRP Advisory LLP
4th Floor Abbey House
32 Booth Street
Manchester
M2 4AB

Date of appointment of Administrators: 16 August 2019

Court in which administration proceedings were brought: Business and Property Courts Leeds
The Courthouse
1 Oxford Row
Leeds
LS1 3BG

Court reference number: 877 of 2019

Appointor details: Court application (via Close Brothers Leasing Limited)

Previous office holders, if any: None

Extensions to the initial period of appointment: None

Date of approval of Administrators' proposals: 22 October 2019



Appendix B

Form AM10 Formal Notice of the Progress Report

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Notice of administrator's progress report



Companies House

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refer to our guidance at
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1	Company details	
Company number	0 3 1 4 1 8 2 6	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Gaia Technologies Plc	
2	Administrator's name	
Full forename(s)	Anthony	
Surname	Collier	
3	Administrator's address	
Building name/number	4th Floor	
Street	Abbey House	
Post town	Booth Street	
County/Region	Manchester	
Postcode	M 2 4 A B	
Country		
4	Administrator's name ^①	
Full forename(s)	Ben	① Other administrator Use this section to tell us about another administrator.
Surname	Woolrych	
5	Administrator's address ^②	
Building name/number	4th Floor	② Other administrator Use this section to tell us about another administrator.
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6 Period of progress report

From date	d 1 d 6	m 0 m 2	y 2 y 0 y 2 y 1
To date	d 1 d 5	m 0 m 8	y 2 y 0 y 2 y 1

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X *A. Lother*

X

Signature date

d 2 d 7	m 0 m 8	y 2 y 0 y 2 y 1
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Company name **FRP Advisory Trading Limited**

Address **4th Floor**

Abbey House

Post town **Booth Street**

County/Region **Manchester**

Postcode **M 2 4 A B**

Country

DX **cp.manchester@frpadvisory.com**

Telephone **0161 833 3344**



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Appendix C

Schedule of work

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The table below sets out a detailed summary of the work undertaken by the Joint Administrators to date and details of the work it is anticipated will be undertaken by the Joint Administrators throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated. Where the fee basis proposed is on time costs further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the Directors', complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
<ul style="list-style-type: none">• The books and records received are complete and up to date• There are no matters to investigate or pursue• No financial irregularities are identified• A committee of creditors is not appointed• There are no exceptional queries from stakeholders• Full co-operation of the Directors and other relevant parties is received as required by legislation• There are no health and safety or environmental issues to be dealt with

Appendix C

Schedule of work

FRP

Note	Category		Fee Basis
1	ADMINISTRATION AND PLANNING	ADMINISTRATION AND PLANNING	Time Costs
	Work undertaken to date	Future work to be undertaken	£200,450
	<p>Organised the extraction of data from the Company's accounting systems to enable continued access to the Company's records.</p> <p>Secured remaining books and records and ensure these are properly archived.</p> <p>Reviewed Money Laundering and ethical considerations.</p> <p>Reviewed and updated case strategy and documented this in accordance with internal procedures.</p> <p>Compiled a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required.</p> <p>Obtained legal advice on the validity of security documentation to confirm the validity of any charges.</p> <p>Arranged for insurance on the assets in the estate and cancellation where appropriate.</p> <p>Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries.</p> <p>Management of the insolvent estate bank accounts.</p>	<p>Continue to review Money Laundering and ethical considerations.</p> <p>Regularly reviewing the conduct of the case and updating the case strategy as required by the insolvency practitioner's regulatory professional bodies to ensure all statutory matters are attended to and to aid case management and ensure the case is progressing.</p> <p>The Joint Administrators will continue to review the insurance position and cancel cover when appropriate.</p> <p>Continued management of the insolvent estate bank accounts to ensure correct postings and the timely submission of any correspondence to HMRC.</p>	



Appendix C

Schedule of work

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2	ASSET REALISATION Work undertake to date	ASSET REALISATION Future work to be undertaken	Time Costs £474,900
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>Sale of business</p> <p>Following the Joint Administrators' appointment, they engaged with a number of interested parties and set up a dataroom for them to view historic and operational and financial information.</p> <p>A total of 304 parties were contacted with a teaser document, detailing a brief overview of the Company's assets for sale.</p> <p>Following two rounds of best and final offers, the offer received from the Purchaser was identified as the bid of choice.</p> <p>Colwyn completed additional due diligence in anticipation of a completion during which time they changed the structure of their offer to include only the business in part.</p> <p>Following continued dialogue, a transaction was completed on 15 November 2019.</p> <p>Time was spent:</p> <ul style="list-style-type: none"> • Liaising with all interested parties during the Administration; • Accommodating site visits from interested parties; • Working with Company staff to collate the information required by interested parties; 		



Appendix C

Schedule of work

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<ul style="list-style-type: none"> • Liaising with interested parties and their advisors to negotiate the best offer available for creditors; • Correspondence with other key stakeholders to facilitate a transaction (including the secured creditors); • Reviewing sale agreements and liaising with solicitors to finalise the transaction. <p>Post transaction, time has been spent reconciling cash collections for any service period after the transaction date, as these proceeds are due to Colwyn under the terms of the sale.</p> <p>In addition, time was spent liaising with those schools whose contracts fell outside of the transaction and could not be continued within the Administration.</p> <p>Sale of Business – Deferred Consideration</p> <p>Time has been spent liaising with Colwyn on the deferred consideration.</p> <p>The trading schedules prepared by Colwyn under the sale agreement have been reviewed.</p> <p>Reviewing any claims of title subsequently brought forward which may impact consideration due on the stockholding.</p> <p>Time spent dealing with any monies due to Colwyn that have been remitted to the Administration estate in error.</p> <p>Ongoing correspondence with Colwyn as to the timing of any receipts.</p>	<p>Sale of Business – Deferred Consideration</p> <p>Continue correspondence with Colwyn as to the timing of deferred consideration receipts.</p>	
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Appendix C

Schedule of work

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<p>Assets excluded from the sale</p> <p>Stock</p> <p>The Joint Administrators have been working towards selling the stock excluded from the sale.</p> <p>The Joint Administrators have:</p> <ul style="list-style-type: none">• Liaised with the respective finance creditors and afforded them the opportunity to visit site to view, and where appropriate, collect stock;• Reviewed the supporting documentation provided in respect of their claim;• Liaised with DLA and the Agents to determine the validity of creditor claims over stock;• Liaised with prospective interested parties over a potential sale of the stock. <p>The remaining stock has now been sold. As part of the sale of this stock, time has been spent liaising with the Agents over the value of offers received, liaising with DLA to agree appropriate sale terms and completion of the transactions.</p> <p>Chattel Assets</p> <p>As reported in the First Progress Report, a motor vehicle was sold to a former member of Company staff and the proceeds of £5,500 were being held by the Agents. The proceeds have been received in full.</p>	<p>Assets excluded from the sale</p> <p>Stock</p> <p>No further asset realisations are anticipated from this source.</p> <p>Chattel Assets</p> <p>No further asset realisations are anticipated from this source.</p>	
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Appendix C

Schedule of work

FRP

<p>Property</p> <p>During the Reporting Period, the Agents have continued the marketing of the Property which is subject to legal charges in favour of Bank of Scotland and Lloyds. The Joint Administrators have spent time liaising with the Agents and Bank of Scotland over marketing updates and agreeing the most appropriate disposal strategy.</p> <p>The sale process remains ongoing.</p> <p>Book Debts</p> <p>The Company's book debts are subject to an invoice discounting facility with Lloyds.</p> <p>Lloyds engaged Cerberus, a specialist debt collector, to continue to collect the outstanding sums owed. The Joint Administrators have been working closely with both parties to maximise collections.</p> <p>Time has been spent:</p> <ul style="list-style-type: none">• Reviewing the debtor ledger with Management;• Attending meetings and conference calls with key debtors;• Liaising with Cerberus to discuss the outstanding ledger and understand key discrepancies which may prevent collection in full;• Negotiating with key debtors and accounting for the receipt proceeds.	<p>Property</p> <p>Time will be spent liaising with the Agents as to the marketing of the Property and agree the most appropriate disposal strategy. Time will also be spent liaising with the Bank of Scotland to agree any strategy.</p> <p>At the point a sale is agreed, time will be spent liaising with solicitors to agree the final form of the contract for sale of the Property.</p> <p>Book Debts</p> <p>The Joint Administrators will review the remaining book debt ledger with Cerberus to understand the extent it is recoverable.</p> <p>Where appropriate, time will be spent liaising with the relevant debtors to recover any outstanding debts.</p>	
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Appendix C

Schedule of work

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	Other <p>Upon clearance of the Property after the expiry of the licence to occupy on 13 November 2020, petty cash of £553 was located on site in the Reporting Period.</p>	Other <p>The Joint Administrators will continue to investigate the prospect of enhancing realisations for the Administration estate.</p>	
3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken	Time Costs £87,960
	<p>Calculated the value of assets that are not subject to a charge and protecting the assets by obtaining a bond to the correct level.</p> <p>Dealt with all appointment formalities as required by statute including notification to relevant parties, filings with the Court; the Registrar of Companies; and statutory advertising.</p> <p>Established the existence of any pension schemes and staging dates for auto-enrolment and taking appropriate action to notify all relevant parties.</p> <p>Completed RP15 forms to ensure the RPO are notified of any pension arrears.</p> <p>Drafted and circulated the Proposals.</p> <p>Drafted the First, Second and Third Progress Reports.</p> <p>Dealt with pre and post appointment VAT and corporation tax returns as required.</p>	<p>We will continue to provide statutory reports to various stakeholders at regular intervals and manage any queries arising.</p> <p>Where appropriate, place legal advertisements as required by statute which may include decisions of creditors and notices to submit claims</p> <p>The Joint Administrators will continue to provide updates via their progress reports to all known creditors on the process of the Administration, realisation of assets and prospects of return to each class of creditor.</p> <p>Continuing to deal with pre and post appointment VAT and corporation tax returns as required.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the Joint Administrators to obtain their release from office; this includes preparing final reports for stakeholders and filing the relevant documentation with the Court/Registrar of Companies.</p>	



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	Obtained Secured Creditors' approval for the basis of the Joint Administrators' remuneration.		
4	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken	Time Costs £50,150
	<p>The Joint Administrators have a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Information provided to Department of Business Energy and Industrial Strategy ("DBEIS") is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>The Joint Administrators sent questionnaires to the directors for completion to assist in preparing the statutory return to the DBEIS in accordance with the Company Directors Disqualification Act.</p> <p>Questionnaires reviewed along with Company books and records to assist with Directors' Conduct Reporting.</p>	<p>No further work anticipated although the Joint Administrators will reopen their investigation files should additional information come to light.</p>	



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5	TRADING	TRADING	Time Costs
	Work undertaken to date	Future work to be undertaken	£419,420
	<p>The Joint Administrators have adhered to FRP's internal protocols to obtain approval to continue to trade.</p> <p>They have met with the DFE regarding the delivery of imminent contracts for new and existing schools and delivery through an Administration process.</p> <p>Continuation of trade was necessary to facilitate a marketing process for the business and assets of the Company and allowed existing service contracts to be delivered.</p> <p>An agreement was reached with the DFE whereby payments were advanced to the Company to fund a trading period until 31 October 2019. This period was extended to 17 November 2019 in order to complete the transaction to Colwyn.</p> <p>Additional funding was also secured from Close to ensure wage arrears could be met to secure the cooperation of the workforce.</p> <p>Employees were addressed on appointment announcing the Administration. Staff were kept apprised of the Administration progress where possible, with redundancies made where necessary.</p> <p>Processing retained staff payroll and paying tax and National Insurance Contributions to HMRC.</p> <p>Continued liaison with staff following a review of staffing levels and have ensured staff wages are met together with staff expenses incurred during the Trading Period.</p>	<p>The Joint Administrators will continue to deal with all tax implications from the trading of the business including accounting for any PAYE and NIC Contributions.</p> <p>Time will be spent finalising trading matters including liaising with suppliers where payment is still due.</p> <p>Time will be spent recovering any debts outstanding from customers.</p>	



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Schedule of work

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	<p>Meetings and discussions have been held with customers to secure additional realisations within the Administration estate and discuss the short term plans for the business whilst in Administration.</p> <p>The Joint Administrators have liaised with suppliers and set up new customer accounts, providing undertakings to continue to pay for goods/services in the Administration period.</p> <p>Ascertaining the online presence of the Company and taking appropriate measures to control or close it as required.</p> <p>They have maintained and monitored trading cashflow and a profit and loss account, making payments to various suppliers.</p> <p>The Joint Administrators have accounted for any tax due to HM Revenue & Customs as a result of the trading period.</p> <p>The Joint Administrators made further staff redundancies following the end of the Trading Period.</p> <p>The Joint Administrators withdrew all undertakings immediately following the end of the Trading Period.</p>		
6	<p>CREDITORS</p> <p>Work undertaken to date</p>	<p>CREDITORS</p> <p>Future work to be undertaken</p>	<p>Time Costs</p> <p>£150,220</p>
	<p>Initial correspondence sent to all known creditors detailing the Joint Administrators' appointment.</p> <p>Secured Creditors:</p> <p>Secured Creditors hold a mortgage or charge over assets of the insolvent estate, when that asset is sold during the insolvency the Secured Creditor will receive the proceeds that is subject to any valid</p>	<p>Secured Creditors:</p> <p>The Joint Administrators will continue to liaise with the Secured Creditors as appropriate throughout the course of the Administration.</p>	



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<p>security. If there is a surplus this will be retained in the insolvent estate.</p> <p>Periodical updates have been provided to the Secured Creditors on the progress of the Administration, both verbally and through formal written update.</p> <p>Preferential Creditors:</p> <p>Time has been spent assessing the level of preferential creditors in the business, primarily relating to wage arrears, accrued holiday pay and the level of outstanding pension contributions.</p> <p>Submissions have been made to the Redundancy Payments Service to allow any claims of this nature to be paid.</p> <p>Unsecured Creditors:</p> <p>In addition to circulating formal notification of the insolvency to unsecured creditors, the Joint Administrators have been liaising with creditor claims and queries as they are received.</p> <p>Where creditors have reservation of title claims, the Joint Administrators have allowed creditors the opportunity to lodge details of their claims and assess any stock on site. Very few ROT claims have been received, although there are a considerable number of claims from creditors with assets on finance.</p>	<p>Preferential Creditors:</p> <p>Whilst not anticipated, if sufficient funds are available to make a distribution to preferential creditors the Joint Administrators will agree claims, pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.</p> <p>Any remaining claims to be processed through the RPO will be submitted.</p> <p>Continue to employees who were made redundant with any queries and liaising with the Redundancy Payments Office as required.</p> <p>Unsecured Creditors:</p> <p>Continue to deal with creditor queries.</p> <p>Whilst not anticipated, if sufficient funds are available to make a distribution to the unsecured creditors the Joint Administrators will write to all known creditors to notify of the possibility of a distribution and requested submission of claims. To date the Joint Administrators are aware of 219 potential creditors according to the information currently available.</p> <p>As required, the Joint Administrators will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the Joint Administrators will make a distribution to creditors.</p>
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	<p>Assets on Finance:</p> <p>The Joint Administrators have liaised with hire purchase and lease creditors to establish their interest in the stock/other assets within the Company. The Joint Administrators have invited all providers of finance to attend site and carry out an inspection of the stock where appropriate.</p> <p>All finance claims are now considered to have been dealt with.</p> <p>Pensions:</p> <p>The Joint Administrators have taken steps to identify the position with the Company's pension schemes and the arrears outstanding.</p> <p>RP15 forms submitted to ensure payment of pension arrears, with correspondence between the various pension providers to facilitate this.</p>	<p>Assets on Finance:</p> <p>Liaise with creditors if any new claims of finance are brought forward.</p> <p>Pensions:</p> <p>Liaise with the RPO regarding pension arrears and continue to respond to any queries.</p>	
7	<p>LEGAL AND LITIGATION</p> <p>Work undertaken to date</p>	<p>LEGAL AND LITIGATION</p> <p>Future work to be undertaken</p>	<p>Time Costs</p> <p>£4,650</p>
	<p>DLA Piper UK LLP have been engaged in a number of matters, assisting the Joint Administrators in their Administration strategy.</p>	<p>The Joint Administrators will continue to engage their solicitors to assist with other ad-hoc matters that arise during the Administration process.</p>	



Details of the Joint Administrators' Time Costs and Disbursements for the Reporting Period & Cumulatively

FRP

Gala Technologies Plc (In Administration)			
Time charged for the period 16 February 2012 to 15 August 2012			
	£	£	£
	2012	2011	2010
Administration and Planning	40.00	12,753.00	318.83
ASP - Admin's Planning	3.00	925.00	175.00
ASB - Admin's Planning	0.00	0.00	375.00
ACA - Accounts	4.00	510.00	20.22
AGP - General Administration	4.00	700.00	175.00
ASP - Accounts	0.00	0.00	375.00
ACA - Accounts - Gen	0.10	54.00	565.00
ACA - Accounts and Rev	24.40	5,059.00	27.27
Asset Realisation	2.00	1,212.50	375.00
ROA - Stock/ WIP	0.50	1,167.50	375.00
ROA - Asset Realisation Role	1.50	562.50	375.00
ROA - Freehold/ Leasehold PM	0.00	0.00	375.00
ROA - Asset Realisation	18.20	825.00	375.00
Creditors	18.90	3,486.00	320.00
CRE - Employees	0.50	87.50	175.00
CRE - Secured Creditors	2.00	697.50	98.75
CRE - Unsecured Creditors	6.40	2,700.00	221.79
Investigation	2.50	937.50	375.00
INV - Investigatory Work	2.50	937.50	375.00
Statutory Requirements	1.00	6,437.00	238.16
STA - TUVA/PT - Post option	0.70	2,192.00	31.14
STA - Statutory Reporting PM	12.00	4,245.00	252.52

Time charged from the start of the case to 15 August 2021			
		Total Cost €	Average Hourly
Administration and Planning		744.60	274.63
ASP - Admin / Planning		97.25	443.79
ASP - Admin / Planning		27.50	2,284.00
ASP - Travel		9.00	28,027.00
ASP - Case Accounting		16.15	32,360.00
ASP - Media		0.15	51.00
ASP - General Administration		65.60	14,411.25
ASP - Case Accounting - General		6.70	2,146.00
ASP - Fee and Vsp		11.70	37,799.00
ASP - Case Control and Review		100.00	35,511.00
ASP - IT - Admin / planning and acquisition		0.75	112.50
Asset Realisation		1,682.15	436,333.75
ROA - Business		4.45	27,791.25
ROA - Asset Realisation Liquid		8.55	3,248.00
ROA - Asset Realisation Liquid		8.95	3,041.00
ROA - Debt Collection		249.90	89,962.50
ROA - Stock/Vsp		24.90	24,948.50
ROA - Asset Realisation Floating		45.50	21,817.50
ROA - Freehold/Leasehold Property		43.85	15,911.00
ROA - Real Assets		12.00	3,380.00
ROA - Asset Realisation		46.75	16,511.00
Creditors		965.50	145,522.00
CRED - Employees		197.05	55,393.75
CRED - Sourced Creditors		85.00	29,726.50
CRED- HPI Leading		49.48	14,924.50
CRED - Unsecured Creditors		3.00	450.00
CRED - Preferred Creditors		149.35	38,067.25
CRED - Pensioners - Creditors		10.45	3,176.00
CRED - Legal Creditors		4.00	1,360.00
CRED - Liquid		8.00	1,350.00
Investigation		517.65	34,747.50
INV - IT - Investigators		11.65	18,760.00
INV - CDDA / Equities		14.70	4,450.00
INV - Investigative Work		42.45	10,281.25
INV - Forensic - Redaction (Internal)		1.50	412.50
INV - FTECH - Project Management		2.35	841.75
INV - Legal - Investigations		1.50	510.00
Statutory Compliance		245.65	74,804.00
STA - Application Formalities		3.20	6,670.00
STA - Statutory Compliance		31.30	9,573.50
STA - Penalties - Other		28.05	13,457.00
STA - Vsp/VAT - Post appointment		22.80	6,223.50
STA - Statutory Reporting/ Meeting		12.05	35,627.00
STA - Statutory of Affairs		4.50	1,220.00
STA - Bonding/ Statutory Advertising		0.20	55.00
STA - ODRS Work		5.50	1,780.00
Trading		1,576.70	373,498.50
TRA - Trading - General		146.55	172,727.00
TRA - Legalising		4.00	1,520.00
TRA - Trading (forecasting) Monitoring		311.40	104,770.00
TRA - Forecasting/ Purchase		288.65	81,128.00
TRA - Case Accounting - Trading		2.70	6,798.50
TRA - Forecasting		2.90	7,569.00
Pre-Appointment		2.90	797.50
PRE-APP - Pre Appointment		2.90	797.50
Grand Total		3,959.15	1,268,544.25

Grade	From
Appointment taker / Partner	450-495
Managers / Directors	340-405
Other Professional	200-295
Junior Professional & Support	125-175

Gaia Technologies Plc (In Administration)
The Joint Administrators' Progress Report

Appendix E

Receipts and Payments Account for the Reporting Period and Cumulatively

FRP

Gaia Technologies Plc
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 16/02/2021 To 15/08/2021 £	From 16/08/2019 To 15/08/2021 £
POST APPOINTMENT SALES		
Trading Advance - Close	NIL	209,506.00
Department For Education - Funding	NIL	3,042,000.00
Trading income-element subject to CI	NIL	136,402.92
Trading income-trading supply-no Clos	NIL	237,791.71
Trading income- post Nov supply & CI	NIL	126,171.97
Trading Income - Lloyds Interest	NIL	9,719.26
	NIL	3,761,591.86
OTHER DIRECT COSTS		
Sub Contractors	NIL	58,683.91
Direct Wages	NIL	1,078,031.02
Employee Expenses - post appointme	NIL	31,626.33
Employee expenses - pre appointment	NIL	19,417.41
PAYE/NIC Contributions	NIL	390,912.69
Pension Contributions	NIL	51,192.31
	NIL	(1,629,863.67)
TRADING EXPENDITURE		
Heat, Light & Phone Lines	NIL	17,851.18
Internet Services & Domain Hosting	NIL	132,937.39
Insurance	NIL	8,282.80
Professional Fees	NIL	3,960.00
DFE Funded Equipment	NIL	1,175,196.79
Vehicle Leasing	NIL	2,511.40
Courier	NIL	827.52
Repairs & Maintenance	NIL	742.50
Interest	NIL	230.75
MS income due to Close - Post Nov	18,963.00	190,557.13
Joint Administrators Trading fees	NIL	240,000.00
Late Payment Fees	NIL	180.00
Accommodation - on site engineers	NIL	16,900.85
Sub-contractors	NIL	105.00
Security	NIL	46,440.00
Critical Payments	NIL	2,762.50
Non DFE funded equipment	NIL	17,428.89
Business Rates	NIL	6,444.22
Trading Income due to Purchasers	NIL	67,062.02
VAT - Irrecoverable	NIL	28.50
	(18,963.00)	(1,930,449.44)
TRADING SURPLUS/(DEFICIT)	(18,963.00)	201,278.75



Gaia Technologies Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 16/02/2021 To 15/08/2021 £	From 16/08/2019 To 15/08/2021 £
	SECURED ASSETS	
	Goodwill	NIL 10,000.00
	Intellectual Property	NIL 1.00
(1.00)	Debtors subject to Lloyds ID Facility	<u>NIL 1,083,320.19</u>
		<u>NIL 1,093,321.19</u>
	COSTS OF REALISATION	
	Debt Collection Fees	NIL 85,000.00
	Property expenses	5,399.36 6,804.36
	Insurance	<u>2,264.61 9,058.44</u>
		<u>(7,663.97) (100,862.80)</u>
2.00	SECURED CREDITORS	
	Lloyds Bank ID Facility	<u>NIL 902,095.32</u>
		<u>NIL (902,095.32)</u>
	ASSET REALISATIONS	
	Bank Interest Gross	38.36 3,845.69
	Book Debts - Post Completion element	NIL 8,933.83
	Book Debts -dual interest (Close/Lloyd	NIL 179,899.66
	Books and Records	NIL 1.00
	Contracts	NIL 89,996.00
	Customer List	NIL 1.00
	Furniture & Equipment	NIL 20,000.00
	IT	NIL 1.00
	Motor Vehicles	NIL 22,455.00
	Petty Cash	NIL 553.06
	Rent	NIL 32,163.60
	Stock	57,015.68 507,360.68
	Sundry Refunds	NIL 395.49
	Trading Surplus/(Deficit)	<u>(18,963.00) 201,278.75</u>
		<u>38,091.04 1,066,884.76</u>
	COST OF REALISATIONS	
	Administrators' Disbursements	NIL 36,008.51
	Administrators' pre appointment fees	NIL 46,133.00
	Administrators' Remuneration	NIL 275,000.00
	Agents/Valuers Fees (1)	NIL 24,164.12
	Bank Charges - Floating	21.40 64.60
	Book Debts due to Close	NIL 162,174.06
	Insurance Costs	1,662.55 32,319.27
	Legal Disbursements	NIL 4,130.80
	Legal Fees (1)	NIL 43,089.20
	Preparation of S. of A.	NIL 1,315.78
	Professional fees	1,250.00 101,850.00
	Statutory Advertising	NIL 72.18
	Storage Costs	NIL 3,074.57
	VAT Irrecoverable	<u>NIL 100.00</u>
		<u>(2,933.95) (729,496.09)</u>
1.00	27,493.12	427,751.74
	REPRESENTED BY	
	IB Current Floating	120,853.61
	IB Floating EFA	24,127.70
	IB Floating MS Contracts	238,166.12
	Vat Control Account	30,051.76



Gaia Technologies Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 16/02/2021 To 15/08/2021 £	From 16/08/2019 To 15/08/2021 £
REPRESENTED BY CONTINUED		
Vat Payable - Floating		(138,400.31)
Vat Recoverable - Fixed		10,133.00
Vat Recoverable - Floating		142,819.86
		427,751.74

Appendix F

Statement of Expenses incurred in the Reporting Period

A summary of all expenses incurred since appointment

Gaia Technologies PLC - In Administration			
Trading Expenses	Expenses paid during the Reporting Period (£)	Costs incurred but not paid (£)	Total Since appointment (£)
Subcontractors	-	-	58,684
Joint Administrators Time Costs	-	-	373,499
Employee Expenses- post appointment	-	-	31,626
Employee Expenses - pre appointment	-	-	19,417
PAYE/NIC Contributions	-	-	390,913
Pension Costs	-	-	51,192
Direct Wages	-	-	1,078,031
Utilities	-	-	17,851
Internet Services & Domain Hosting	-	-	132,937
Insurance	-	-	8,283
Professional Fees	-	-	3,960
DFE Funded Equipment	-	-	1,175,197
Vehicle Leasing	-	-	2,511
Courier	-	-	828
Repairs & Maintenance	-	-	743
Interest	-	-	231
MS Income due to Close- Post Nov	18,963	-	190,557
Late Payment Fees	-	-	180
Accommodation- on site engineers	-	-	16,901
Sub-contractors	-	-	105
Security	-	-	46,440
Critical Payments	-	-	2,763
Non DFE funded equipment	-	-	17,429
Business Rates	-	-	6,444
Trading Income due to Purchasers	-	-	67,062
VAT- Irrecoverable	-	-	29
Total	18,963	-	3,692,284

Appendix F

Statement of Expenses incurred in the Reporting Period

Gaia Technologies PLC - In Administration			
Expenses	Expenses paid during the Reporting Period (£)	Costs incurred but not paid (£)	Total Since appointment (£)
Joint Administrators' Time Costs (Excl Trading)	-	40,818	895,045
Pre Appointment Fees	-	-	46,133
Joint Administrators' Disbursements	-	-	36,009
Property Expenses	5,399	-	6,804
Lloyds Bank Facility	-	-	902,095
Book Debts due to close	-	-	162,174
Insurance Costs	1,663	-	32,319
Legal Disbursements	-	-	4,131
Legal Fees (DLA)	-	15,606	365,834
Agents' Fees (SW)	-	-	69,625
Preparation of S. of A.	-	-	1,316
Professional Fees (Tax)	1,250	-	1,850
Insurance	2,265	-	9,058
Statutory Advertising	-	-	72
Storage Costs	-	-	3,075
Bank Charges	21	-	65
Debt collection fees (Cerberus)	-	-	85,000
VAT Irrecoverable	-	-	100
Total	10,598	51,842	2,620,705

Please note, MS Income due to Close and Book Debts due to Close are expensed, although the monies remitted represent balances due under their security.