

AM03

Notice of administrator's proposals



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1 Company details

Company number	0	7	1	8	9	6	6	4
Company name in full	WESWAP.COM Limited							

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

2 Administrator's name

Full forename(s)	Allister
Surname	Manson

3 Administrator's address

Building name/number	4th Floor, Euston House
Street	24 Eversholt Street
Post town	London
County/Region	
Postcode	N W 1 1 D B
Country	

4 Administrator's name ①

Full forename(s)	Steven
Surname	Parker

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

5 Administrator's address ②

Building name/number	4th Floor, Euston House
Street	24 Eversholt Street
Post town	London
County/Region	
Postcode	N W 1 1 D B
Country	

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

AM03

Notice of Administrator's Proposals

6**Statement of proposals**☒ I attach a copy of the statement of proposals**7****Qualifying report and administrator's statement**☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

①As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8**Sign and date**

Administrator's Signature

Signature

X**X**

Signature date

1

D 0

M 1

M 2

Y 2

Y 0

Y 2

Y 1

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 Allister Manson

Company name Opus Restructuring LLP

Address 24 Eversholt Street

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Country

DX

Telephone 020 3326 6454



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



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DX 33050 Cardiff.



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In the High Court of Justice Reference No. 001813

WESWAP.COM Limited (In Administration) ("the Company")

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Allister Manson and Steven John Parker
Joint Administrators

Opus Restructuring LLP

4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB

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Disclaimer Notice

- This Statement of Proposals has been prepared by Allister Manson and Steven John Parker, the Joint Administrators of WESWAP.COM Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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 of 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 agents for WESWAP.COM Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Opus Restructuring LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

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1. Executive Summary

- 1.1** This Statement of Proposals is being delivered to creditors on 10 December 2021, further to the appointment of Allister Manson and Steven Parker, both of Opus, as Joint Administrators on 24 November 2021. The appointment was made by the sole director of the Company.
- 1.2** On 30 November 2021, we subsequently issued our statement to creditors providing details of the Pre-Pack sale of the Company's business and assets immediately following our appointment, in accordance with SIP 16, a copy of which can be found at Appendix IV. (The proposals were not issued with the SIP 16 Statement, due to the Joint Administrators and their advisors still being required to deal with ongoing issues relating to the sale of the business and assets at that time).
- 1.3** The principal activity of the Company as per Companies House was "other information service activities not elsewhere classified". More specifically, the Company traded as a multi-currency travel money provider, offering pre-paid Mastercards for business travellers and holidaymakers.
- 1.4** The Joint Administrators are currently pursuing the second statutory objective of Administration, which is to achieve "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)".
- 1.5** A summary of the current and anticipated future financial positions are detailed below.

Assets (net of VAT)

Asset	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Customer database	62,500	12,500	75,000
Intellectual Property and know-how	20,000	4,000	24,000
Computer and office equipment	1,664	333	1,997
Goodwill	1	-	1
Contracts	1	-	1
Records	1	-	1
Cash at Bank	57,500	-	57,500
Total	141,667	16,833	158,500

Expenses (net of VAT)

Expense	Expense Incurred to date (£)	Anticipated further expense (£)	Total anticipated expense (£)
Joint Administrators' pre-appointment time costs	78,817.50	Nil	78,817.50
Joint Administrators' post appointment time costs	23,742.50	45,795.00	69,537.50
Solicitors' pre-appointment time costs	50,980.00	Nil	50,980.00

Solicitors' post-appointment time costs	6,182	unknown	unknown
Agents' fees	13,985	1,100	15,085
Total expenses	173,707	46,895	214,420

Dividend prospects

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

1.6 The main tasks remaining to be done to conclude the Administration will be to collect the deferred consideration for the sale of the business and assets in accordance with the terms set out in the ASA; to execute other requirements set out in the ASA, including changing the Company's name by shareholder resolution; and to deal with the Company's statutory tax and data protection requirements. The Joint Administrators will continue to liaise with the purchaser and other stakeholders and their advisors in relation to the sale of the business and will also be submitting a report to the Insolvency Service on the conduct of the Directors.

1.7 The Administration is expected to be concluded within 12 months, at which point the Joint Administrators intend to apply for the Company to be dissolved.

1.8 Definitions of the terms used in this Proposal are provided at Appendix I.

2. Background to the Company

2.1 The Company was established on 15 March 2010 and its registered address was 85 Great Portland Street, London, W1W 7LT from June 2020. Prior to that, the Company's registered office was 6 Spectrum House, 32-34 Gordon House Road, London, NW5 1LP.

2.2 The Company supplied customers with WeSwap MasterCards that provided preferential rates on foreign exchange. The Company's website set out that it offered:

- A free contactless Mastercard that works in over 180 countries
- Money storage in 18 currencies, all in their own digital wallets
- Savings of up to 90% versus banks and bureaux on travel money
- Free cash withdrawals under £250 (per month).

2.3 The Company worked in conjunction with travel partners such as Jet2 and National Express and has been in operation for over seven years, working with various development and finance partners (including Mastercard) to assist its clients, including enabling clients to view their balances, deposits and transactions online. The Company had approximately 90,000 users.

2.4 As the Company was in development for a lengthy period of time, although it grew successfully, it never traded profitability as can be seen from the accounts filed at

Companies House. Despite this, it had the continued support of its investors including its charge holders, namely IW Capital (Security Trustees) Limited ("IWC") and Ascot SPV II Limited ("Ascot").

The Company had sought to float on a publicly listed exchange in 2019, with a valuation of over £20 million, but the flotation was ultimately not finalised.

The following security had been granted by the Company and was outstanding at the date of Administration:

Type of Security	Name of charge holder	Date of creation of Security
Fixed and Floating Charge	IW Capital	21 December 2020
Fixed and Floating Charge	IW Capital	20 December 2020
Fixed and Floating Charge	IW Capital	3 May 2019
Fixed and Floating Charge	Ascot	15 May 2017

- 2.5 A deed of priority exists between IWC and Ascot which states that both lenders rank pari passu with one another.
- 2.6 Given the nature of the Company's business, being part of the travel sector, Covid caused irreparable damage to trading, further details of which are set out in the Section 3 of this report.
- 2.7 At the start of 2020, the Company had 40 employees, which was reduced to 15 employees in March 2020, as soon as Covid measures were announced. All 13 remaining employees transferred to the purchaser under the TUPE Regulations as part of the sale of the business and assets.
- 2.8 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Opus.

3. Events leading to the Administration

- 3.1 As mentioned above, the Company operated in the travel sector. In March 2020, governments around the World introduced widespread restrictions on international travel as a result of Covid, causing the Company's revenues to be cut almost to zero.
- 3.2 The Board immediately took a number of cost-saving measures in an attempt for the Company to survive, such as reducing the size of the team to 15 people, moving out of its offices to working remotely and asking for voluntary salary cuts from senior staff.
- 3.3 The Company also raised fresh investment from IWC in order to be able to survive a period of extreme uncertainty.
- 3.4 However, by May 2021, it became clear that long-term funding was required and that neither existing nor new investors were willing to invest in the Company without a significant restructuring of the balance sheet.

- 3.5** The Company took the decision to approach investors, secured creditors and its major unsecured creditors in order to restructure their positions. Investors were asked to reduce the value of their holdings and creditors were asked to write off some debt and convert the remaining balances into equity.
- 3.6** In addition, to make the Company more attractive to investors, the Board took the decision to change the business model and move from a hosted solution to an outsourced end-to-end platform, that would have the effect of reducing the number of key suppliers and materially improve margins.
- 3.7** By mid July 2021, it had become apparent that the Company's main investors and secured lenders were willing to agree to restructuring proposals. However, the Company was struggling to reach an agreement with its main unsecured creditor, Yalamanchili International UK Limited ("YMC").
- 3.8** The Company's Directors were formally referred to Opus by David Altberg, a legal consultant, on 13 July 2021, to help advise on the options available to the Company, given its potential inability to complete a solvent restructuring. On 30 July 2021, Opus issued an engagement letter to the Board which was signed and returned by the Directors of the Company on 5 August 2021.
- 3.9** A review of the Company's cash-flows revealed that there would be sufficient working capital available to allow the Company to continue to trade in the short term for it to continue to negotiate with its creditors and, should that not be successful, to initiate a marketing process to try to identify a purchaser.
- 3.10** The options listed below were considered with the directors during this pre-appointment stage:
- 3.11** *Continuing to trade outside insolvency or through a Moratorium*

The Company had limited cash resources and its cash constraints were impacting on its ability to continue trading.

Due to the level of the Company's historic liabilities, the main shareholders and lenders confirmed that they were not willing to provide the level of additional funding necessary to support the Company to continue to trade once its cash at bank was depleted.

3.12 *Company Voluntary Arrangement ("CVA")*

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the CVA would be approved nor that the Company would be successful in trading through its difficulties, given the uncertainties in the travel sector surrounding Covid.

3.13 *Liquidation*

The possibility of placing the Company into Liquidation was considered. However, it was decided that this was not the best course of action to take, for several reasons.

Liquidation would cause a break in the supply of the Company's card services, meaning that customers would be severely inconvenienced, leading to a loss of value in the business and assets. In addition, Liquidation would mean that the Company's employees would be made redundant, leading to an increase in the level of creditors. There would also have been no realisation for goodwill and overall realisations would have been materially affected because assets would have been sold with the stigma of a Liquidation and on a 'forced sale' basis.

3.14 *Pre-packaged Administration Sale ("Pre-Pack")*

Administration is an effective restructuring option where a business can be rescued by either the current management team or a third-party purchaser.

A purchaser does not acquire any liabilities but is free to take on obligations by choice eg through an assignment of leases, premises etc. The only liabilities that transfer by law are the existing employees' contract under the TUPE Regulations. A purchaser of a business cannot contract out of this.

When a purchaser is identified and a sale agreed in principle prior to Administration, which is then executed immediately after the commencement of Administration, it is referred to as a pre-packaged Administration sale.

In the Company's case, there was sufficient working capital to allow short-term trading to continue in order that the Company and/or its business and assets to be exposed thoroughly to a marketing process. The main benefits of achieving a pre-packaged sale were: the transfer of the employees to a purchaser and the avoidance of any break in the supply of the Company's card services, thereby maximizing the value of the business.

3.15 Following discussion with the Board, for the reasons mentioned, an insolvency mechanism was deemed necessary, and a pre-packaged Administration, preceded by a full marketing process, was considered the best option.

3.16 An independent firm of valuers and agents, Williams & Partners Limited, was instructed by the Board to value the Company's assets and advise on the best means of marketing the business for sale (as well as complying with the requirements set out in SIP 16). Antony Berg of Williams & Partners Limited led the assignment. Williams & Partners have appropriate professional indemnity insurance and are members of the National Association of Valuers and Auctioneers.

3.17 The directors were asked to provide details of any parties who might be interested in purchasing the business and assets of the Company, as well as to provide details of any marketing conducted by the Company prior to approaching Opus. We were advised that the Company had previously circulated potential investors for fund-raising purposes but had not undertaken a formal marketing process for sale.

3.18 The marketing and media coverage carried out included marketing the business widely and appropriately, by advertising on IP-Bid, Deal Opportunities and BusinessForSale, as well as on Williams & Partners' own site.

- 3.19** The marketing process lasted from the placement of the first adverts on 24 August 2021 until the acceptance of an offer from the ultimate purchaser, on 27 October 2021. The marketing process lasted longer than would normally be the case for a transaction of this size because an initial marketing exercise resulted in a potential sale to IWC, which fell through on 6 October 2021. As such, a further marketing exercise was then undertaken, which ultimately resulted in the sale of the business and assets on 24 November 2021.
- 3.20** In total, the Company's agents received 96 enquiries from potential interested parties; 92 non-disclosure agreements ("NDAs") were sent out and 59 signed NDAs were returned. Further to this, 50 Information Memorandum packs were sent out following telephone conversations.
- 3.21** Detailed due diligence was undertaken by a number of parties, ten of whom were given access to a data room, further to which six written offers were received, ranging between £1 and £101,000. The best offer was accepted by the Board on 27 October 2021.
- 3.22** Please also refer to the SIP 16 document at Appendix IV for more detail in relation to the marketing strategy and Sale.
- 3.23** Given the stop-start nature of the overall marketing process, an initial Notice of Intention ("NOI") to appoint Allister Manson and Steven Parker as Joint Administrators of the Company was filed at the High Court of Justice by the Directors on 1 October 2021. A second NOI was filed on 28 October 2021 and a third NOI was filed on 11 November 2021, in order for contractual negotiations to be completed.
- 3.24** The gap between the first and second NOI occurred due to the Board considering the options after the initial potential sale to IWC collapsed. Once the second marketing campaign had generated an acceptable offer for the business and assets, subsequent NOIs were filed to enable the contractual negotiations to be completed.
- 3.25** On 24 November 2021, Allister Manson and Steven John Parker of Opus Restructuring LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors. The sale of the business and assets was completed on the same day, shortly after the appointment.
- 3.26** The fees initially agreed in respect of pre-appointment advice were based on the time costs anticipated to be properly incurred by the Joint Administrators and their staff at Opus' standard charge out rates, estimated at the outset to amount to £15,000 to £17,500 plus VAT, based on a 3 to 4 week process. Due to the significantly prolonged nature of the pre-appointment phase, actual time costs have significantly exceeded the initial estimate and are in excess of £50,000 plus VAT. More details in relation to our fees and expenses (both pre-appointment and post appointment) are found later in this report.
- 3.27** These proceedings are proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

3.28 Attached at Appendix III is a detailed account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.

4. Ethical Considerations

4.1 Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

4.2 Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken, and no ethical threats were identified. A further review has been carried out and the following potential/perceived threats to compliance with the Code of Ethics were identified: that the Joint Administrators' objectivity might be called into question, for the following reasons:

- the initial, formal engagement of the insolvency practitioners as advisors to the Company had been approved by the Directors and the primary charge holder and largest shareholder, IWC; and
- the insolvency practitioners' involvement with the Company lasted for a prolonged period of 3-4 months (considerably longer than initially envisaged), due to the collapse of an initial proposed sale of the business and the need to run a second marketing and sale process.

4.3 The proposed insolvency practitioners and their team only provided advice to the Board and senior management in relation to the proposed sale and pre-packaged Administration and never directed the Company, in any way. As explained throughout this report, the Company relied on an independent firm of agents to manage the marketing and sale process and an independent firm of solicitors to advise on the legal aspects of the sale.

5. The Objective of the Administration

5.1 Administrators must perform their functions with the objective of:

- rescuing the company as a going concern;
- or, if that is not possible, then 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, if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

5.2 The Joint Administrators would comment that the first objective, to rescue the Company as a going concern, was not viable as it was not possible to restructure the existing business, obtain a capital injection or propose a CVA.

5.3 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 considered that the most beneficial option available was to place the Company into Administration and look to complete an immediate sale of

the business and assets through a Pre-Pack, in order to maintain the value of the business by preserving continuity of service for the Company's 21,000 live customers, avoiding disruption to their pre-loaded card and app services. This process enabled the second objective to be achieved.

- 5.4 The completion of a Pre-Pack also mitigated employee and other creditor claims that would have otherwise arisen in the event of closure. As a consequence of the Pre-Pack, the Company's employees retained their jobs.
- 5.5 The Joint Administrators believe that this strategy has resulted in a better result for creditors as a whole than if the Company had been placed into Liquidation.
- 5.6 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

6. Events since the Joint Administrators' appointment

- 6.1 Given that it was considered by the Board and the proposed Administrators and their advisors that the most beneficial option available was to place the Company into Administration and look to complete a simultaneous sale of the Company's business and assets through a Pre-Pack, a review of the Company's affairs, with particular regard to its financial and resource requirements, was carried out by the proposed Joint Administrators prior to their appointment. This assessment was carried out by liaising with the Board and their advisors to enable the Administration appointment to take place.
- 6.2 Immediately upon appointment as Joint Administrators, as officers of the Court and as agents of the Company, the Joint Administrators took over from the Board the responsibilities of managing the affairs, business and assets of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, the Pre-Pack sale was completed on the date of appointment, being 24 November 2021.
- 6.3 Since their appointment, the Joint Administrators have dealt with their statutory requirements in accordance with the Act including, but not limited to, sending out notification of appointment to various parties including Companies House, advertising the appointment in the London Gazette, sending out the SIP 16 report to creditors, requesting information from the Company's former Directors and dealing with creditor queries. Time has also been spent in drafting these Proposals.
- 6.4 Further, there have been a number of queries specifically relating to the Sale and the transfer of the various contracts and these matters remain ongoing. The Joint Administrators have also dealt with the Press in relation to the Sale that has taken place. Lastly, the Joint Administrators, with the help of their solicitors, have begun the process of changing the Company's name, as per the ASA.

The sale of the Company's business and assets

- 6.5 Detailed information relating to the Pre-Pack sale is attached at Appendix IV. Of the total sale consideration of £101,000 plus VAT, £84,167 plus VAT has been received to date and the remaining £16,833 plus VAT is to be paid on the earlier of 7 January 2022 or the date when the Company formally changes its name at Companies House.

6.6 The total sale consideration has been allocated to the following asset categories:

Customer Database	£75,000
Intellectual Property and know-how	£24,000 (fixed charge)
Computer and office equipment	£1,997 (fixed charge)
Goodwill	£1 (fixed charge)
Contracts	£1
Records	£1

The Company's goodwill, intellectual property and equipment are classes of assets stated as being subject to fixed charges. The validity of these charges has yet to be verified, however the allocation above has been reached by reference to the charge documents.

6.7 Cash at bank, customer funds and the Company's historic platform were excluded from the Sale. There were no option, buy-back arrangements or similar conditions attached to the ASA. The Sale was not part of a wider transaction.

Sales to connected parties

6.8 A sale of the business and assets was completed on 24 November 2021 to MK Fintech Limited ("the Purchaser"), a company within the Blackthorn Finance group of companies. There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent company or their associates.

6.9 No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier. As part of the Sale, the Company's Directors agreed to terminate his employment and will not be working with the purchasing entity.

Other steps taken as regards assets

6.10 The Joint Administrators requested the transfer of the cash at bank that the Company held to Opus' client account, amounting to £57,500, which has since been transferred into the Administration estate account. No further material realisations are expected.

6.11 The Directors and senior management confirmed that there is a VAT refund of circa £7,000 due from HMRC in relation to the October 2021 return. However, it is understood that HMRC are a significant creditor, so set off will therefore apply. Until such time as the Joint Administrators believe that there may be a distribution to HMRC, they will not carry out the work required to submit a VAT return for October 2021.

6.12 The Joint Administrators have recently been made aware that there may be some chattel assets held in a storage facility in London, along with some of the Company's books and records. Details of these chattel assets, including a refrigerator and some monitors, will be sent to our agents in due course to assess the economic viability of collecting and selling these items.

Steps taken as regards creditors

- 6.13** As part of the Sale, the staff were transferred under TUPE with effect from 24 November 2021. As such, any liability due to employees will transfer to the purchaser.
- 6.14** The Joint Administrators, their staff and advisors have handled creditors' and shareholders' queries as they have arisen, which have included telephone calls and correspondence and are in the process of collating creditors' claims. Creditors' claims will not be adjudicated upon unless there is a belief that there will be a distribution to any class of creditor. Secured creditors have been notified of the position both pre- and post-appointment.

Instruction of specialists

- 6.15** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects 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.

Williams & Partners Limited – Valuation and insolvency agents
Mills & Reeve LLP – Solicitors
Insolvency Risk Services (“IRS”) – Insurers

- 6.16** To advise on appropriate legal matters and to prepare required legal documentation, the Company and Joint Administrators instructed Mills & Reeve LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 6.17** The Joint Administrators' legal advisors advised in respect of all legal issues arising on the Sale and have been assisting the Joint Administrators with matters arising in the Administration.
- 6.18** As mentioned, Williams & Partners Limited were instructed by the Board to value the Company's business and assets and also advised on the best method of marketing the business for sale, as well as carrying out the marketing of the Company and its business and assets.
- 6.19** IRS are used by the Joint Administrators to provide insurance as and when required, in particular in connection with the Pre-Pack sale.
- 6.20** Mills & Reeve LLP's professional fees are based upon the recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators before being approved for payment. The Joint Administrators will seek approval from the secured creditors and HMRC (as the secondary preferential creditor) for the fees incurred in relation to the pre-appointment period.

- 6.21** The fee for Williams & Partners Limited is a fixed fee for the valuation report, marketing, and SIP 16 Report and a percentage fee for asset realisations. The Joint Administrators will seek approval from the secured creditors and HMRC (as the secondary preferential creditor).

Investigation into the Company's affairs prior to the Administration

- 6.22** The Joint Administrators will complete 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 report to be submitted to the Insolvency Service on the conduct of the Company's Directors.
- 6.23** 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.

7. The Statement of Affairs and the Outcomes for Creditors

- 7.1** An estimated Statement of the Company's Affairs ("SOA") has been submitted by the Directors, a copy of which is attached at Appendix V.
- 7.2** The SOA displays an entry for 'debtors', which also appears in the Company's management accounts to 31 October 2021. The debtors consist of prepayments to suppliers and HMRC refunds. The Company owes considerable debts to HMRC and its own suppliers. Consequentially, it is anticipated these sums will be offset against debts due and not lead to realisations in the Administration.
- 7.3** The Company's 'fixed assets', being computers and other IT/office equipment have a book value of £16,471 listed in the management accounts ending 31 October 2021. This value has not taken into account depreciation of the items and does not reflect actual value. These assets were realised as part of the Pre-Pack Sale for £1,997.
- 7.4** The Company's contracts, IP, database, records and goodwill do not hold book values because they were not present in the most recent management accounts. These items collectively sold for £99,003. Since these assets did not feature in any accounts, independent tax advice will likely need to be sought in order to establish if Corporation Tax is due.
- 7.5** The SOA shows goodwill alone as being subject to a fixed charge. However, as mentioned earlier in this report, the Company's goodwill, intellectual property and equipment are classes of assets stated as being subject to fixed charges. The validity of these charges has yet to be verified, however the allocation above was been reached by reference to the charge documents. Legal advice is being taken in this regard.
- 7.6** In accordance with the standard format of a SOA, no provision has been made in the for the costs of the Administration.

Prospects for creditors

- 7.7** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 24 November 2021 to 10 December 2021.
- 7.8** Also attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.
- 7.9** The Act requires administrators to make a prescribed part of the Company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 7.10** We do not envisage a situation where there will be sufficient realisations to discharge the costs of the Administration in full and therefore the Joint Administrators envisage that there will be no resulting net property from which to deduct a prescribed part.
- 7.11** The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because the net property will be less than £10,000.
- 7.12** In summary, it is anticipated that there will be insufficient funds to pay a distribution to preferential, secondary preferential or unsecured creditors.

8. The Joint Administrators' Fees

- 8.1** The Joint Administrators propose to fix their fees on the following basis:
- 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 Opus Restructuring LLP at the time the work is performed.
- 8.2** Attached at Appendix VIII is the Joint Administrators' Fees Estimate. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 3 December 2021 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X. Creditors will note from the information provided that the maximum estimated realisable value of all assets totals £158,500 and, as described elsewhere, necessary expenses have been incurred payable to independent parties, which will need to be paid in priority to the Joint Administrators' fees. Therefore, it is anticipated that a significant proportion of the Joint Administrators' time costs will not be recoverable from the estate.
- 8.3** Creditors may access a Guide to Administrators' Fees at <https://opusllp.com/restructuring-insolvency/creditor-portal/> or a hard copy will be provided on request.

9. The Joint Administrators' Expenses

- 9.1** Attached at Appendix XI are details of the expenses that the Joint Administrators expect to incur in the Administration.
- 9.2** Expenses fall into two categories: Category 1 and Category 2.

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of the Joint Administrators. Administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are payments to associates or which have an element of shared costs. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

9.3 The Joint Administrators do not anticipate incurring or charging any category 2 disbursements in this Administration.

10. The Joint Administrators' Discharge

10.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured and preferential 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.

11. Approval Process

Approval of the Statement of Proposals

11.1 Attached at Appendix XII is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out, in detail, what further work the Joint Administrators propose to undertake.

11.2 In the opinion of the Joint Administrators, the Company has insufficient property to enable a distribution to be made to unsecured creditors. Therefore, pursuant to Paragraph 52(1) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals. Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

11.3 The Joint Administrators are inviting the secured and preferential creditors to decide on the following matters:

- Whether to establish a creditors' committee
- The timing of the Joint Administrators' discharge from liability
- In the event that a creditors' committee is not established:
 - The basis on which the Joint Administrators' fees shall be fixed
 - The approval of the unpaid pre-Administration costs

11.4 To assist those creditors who are requested to vote on these matters, the relevant forms have been provided under separate cover.

Should any creditor have any queries in relation to the above, please contact either of the Joint Administrators or Emma Johnson, on 01908 752 945 or by email to emma.johnson@opusllp.com.

Dated this 10th December 2021



Allister Manson
Joint Administrator

Allister Manson and Steven John Parker were appointed Joint Administrators of WESWAP.COM Limited on 24 November 2021. The affairs, business and property of the Company are managed by the Joint Administrators.

The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Allister Manson and Steven John Parker
The Company	WESWAP.COM Limited (in Administration)
The Court	High Court of Justice
ASA	Asset Sale Agreement
HMRC	HM Revenue & Customs
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
The Board	The Board of Directors
Opus	Opus Restructuring LLP
Covid	COVID-19 Pandemic
Pre-Pack	Pre-packaged Administration
IWC	IW Capital (Security Trustees) Limited
Ascot	Ascot SPV II Limited
YMC	Yalamanchili International UK Limited

Appendix II: Statutory and Financial Information

Company name	WESWAP.COM Limited
Trading name(s)	WESWAP.COM
Proceedings	In Administration
Court	High Court of Justice
Court reference	001813
Date of appointment	24 November 2021
Appointed by	Director(s)
Joint Administrators	Allister Manson and Steven John Parker Opus Restructuring LLP 4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	85 Great Portland Street, London, W1W 7LT. To be changed to: c/o Opus Restructuring LLP, 4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB (1)
Company number	07189664
Incorporation date	15 March 2010
Directors at date of appointment	Jared Maximillian Jesner – 1 April 2010
Directors' / Secretary's shareholdings	Jared Maximillian Jesner 2,850 Ordinary Shares 2,850 A Ordinary Shares

(1) An AD01 is being processed.

Summary Profit and Loss Account

	Draft Management Accounts for 9mths to Oct 2021 £	Statutory Accounts for year to Dec 2019 £	Statutory Accounts for year to Dec 2018 £
Turnover	208,384	1,769,516	1,542,416
Cost of Sales	(118,913)	(791,967)	(671,377)
Gross Profit	89,471	977,549	871,039
Gross Margin %	42.94%	55.24%	56.47%
Other Expenses	(2,908,623)	-	-
Admin expenses	-	(6,057,168)	(7,585,172)
Interest payable and similar expenses	-	(562,223)	(348,209)
Other gains and losses	-	(11,111)	94,953
Tax on loss	-	556,857	-
Loss	(2,819,152)	(5,096,096)	(6,967,389)

The management accounts were provided by the Board. Please note that there are no profit and loss accounts for the Company in the filed accounts, these have been provided by the Board.

Please also note that neither Opus nor the Joint Administrators have audited this information.

Summary Balance Sheet

	Draft Management Accounts for 9mths to Oct 2021 £	Statutory Accounts for year to Dec 2019 £	Statutory Accounts for year to Dec 2018 £
Tangible assets	16,471	50,046	27,964
Intangible assets	1	1	1
Fixed assets	16,472	50,047	27,965
Current Assets			
Debtors	224,695	789,124	293,511
Cash	71,763	541,996	1,100,766
	296,458	1,431,120	1,394,277
Liabilities			
Other borrowings	(6,121,468)	(4,048,015)	(1,512,014)
Trade creditors	(3,284,743)	(1,747,008)	(1,703,213)
Other taxation	(629,441)	(126,646)	(76,165)
Other financial liab.	(818,182)	(818,182)	(818,182)
Other creditors	(50,000)	(30,335)	(288,292)
Accruals/deferred income/charges	(1,984,646)	(502,996)	(583,110)
Embedded Der. Liab.	(215,822)	(84,779)	(73,668)
Total Liabilities	(13,104,301)	(7,357,961)	(5,054,644)
Net Liabilities	(12,791,372)	(5,876,794)	(3,632,402)
Capital and reserves			
Called up share capital	70,061	70,061	64,583
Share premium account	24,092,765	24,092,765	21,482,499
Share option reserve	61,702	61,703	236,816
Other reserves	273,153	226,181	-
Profit & Loss reserves	(37,289,053)	(30,327,504)	(25,416,297)
Total Equity	(12,791,372)	(5,876,794)	(3,632,402)

The management accounts were provided by the Board.

Please also note that neither Opus nor the Joint Administrators have audited this information.

Appendix III: Statement of Pre-Administration Costs

On 5 August 2021, the Board agreed with the proposed Joint Administrators that Opus 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 and that such time costs were estimated to amount to £15,000 to £17,500 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing the Company into Administration and effecting a Pre-Pack Sale.

The above estimate was initially based upon the assumption that a full sales and marketing process would be undertaken, further to which the Company's business and assets would be sold and that this process would last 3 to 4 weeks. A sales and marketing process was undertaken and it appeared that the IWC would be the leading contender to purchase the business and assets. However, IWC were unable to secure the funding to complete the purchase and the sale fell through. The following work was undertaken prior to this outcome:

- Undertaking Anti-Money Laundering, ethical and due diligence checks on the Company, its directors and shareholders, Williams and Partners, Mills & Reeve and the purchaser.
- Undertaking an internal conflict and risk assessment.
- Obtaining information from the director and employees on the Company's business, trading history, assets etc.
- Creating and maintaining a case record and file (filing of documents, emails etc.)
- Liaising with creditors who are seeking updates or applying pressure to the Company.
- Engaging in discussions with YMC and their representatives regarding the proposed Administration and the Company's position.
- Providing advice to the Company/its Board while a buyer was found, and a sale was completed. This advice is strictly in relation to the process as set out above.
- Regularly monitoring of Opus Restructuring and Allister Manson's relationship with the Company/the Board and the advice given.
- Providing advice to the Company/its Board regarding the options available to it and how to proceed with those options.
- Identifying and suggesting an agent (Williams & Partners) to the Board.
- Liaising with the agent: answering queries, providing information, obtaining updates, reviewing reports etc.
- Speaking to interested third parties to further potential offers.
- Corresponding with the secured lenders regarding the sale process, their position etc.
- Advising of the procedure regarding connected party sales and explaining options with regard to obtaining an evaluators report on the sale.
- Liaising with the Company's employees, providing updates, answering queries and so forth.
- Engaging Mills & Reeve to provide advice and draft a Notice of Intention. Liaising with our legal advisors.
- Notifying the relevant parties when the sale to IWC fell through and advising of a plan to move forward.

Once the sale to IWC had fallen through, a new sales and marketing process was undertaken. When potential purchasers were made aware that the secured lender was no longer bidding for the business, interest increased considerably. However, even when a

preferred purchaser was identified and an offer accepted, significant time was required in order to deal with sale issues, most notably Data Protection issues surrounding the transfer of customer data to the purchaser. The overall result of this was that the time required to be spent by Allister Manson and his team in assisting the Company increased substantially.

Once the second sale process was concluded and various offers had been received, the following work was undertaken:

- Reviewing the offers with Williams & Partners in order to establish which offers represented the best value to the Company, its staff and creditors.
- Presenting offers on a no-names basis to the team at WeSwap to establish the type of business they would prefer to work in going forward.
- Reviewing and discussing the offers provided to the Board in relation to the sale.
- Engaging Mills & Reeve to draw up an ASA and provide advice to Allister Manson and Steven Parker as proposed Joint Administrators.
- Providing consistent and long-term advice to the Company/its Board prior to the completion of sale regarding the obligations in the interim period.
- Corresponding and meeting with Blackthorn Finance regarding the purchase, answering their queries regarding TUPE, VAT and so forth.
- Responding to creditor queries and pressure.
- Instructing Mills & Reeve to draft and file second and third Notices of Intention which were required due to the delayed sale process.
- Arranging for the director to swear the Notices of Intention.
- Circulating the Notices of Intention to the charge holders, the Company, and any other relevant parties.
- Corresponding with key service providers regarding the purchasing entity to understand their Anti-money laundering and due diligence requirements .
- Correspondence with Blackthorn Finance and Mills & Reeve regarding potential GDPR issues arising from the sale and transfer of data.
- Correspondence with Blackthorn Finance and Mills & Reeve regarding the requirement to charge VAT on the sale, the law around Transfer as a going Concern, VAT reclaims etc.
- Agreeing the asset apportionment with Williams & Partners and the purchaser
- Working with Mills & Reeve to review and amend the Asset Sale Agreement following reviews from the purchaser's solicitors
- Negotiating the transfer/change of the Company's registered name so that it may be used by the purchaser and reviewing how this could be completed both pre and post Administration.
- Completing an internal report on the prospective sale which needed to be reviewed and approved by an unrelated partner/Insolvency Practitioner at Opus Restructuring.
- Finalising the Pre-Pack sale
- Maintaining our file on the case to include all correspondence, asset records, creditor records etc.

The need to effectively perform the marketing and sale process twice is primarily what has led to costs in this case being exponentially increased. Further, the delays on the completion of the sale and the need to file a second and third Notice of Intention exacerbated not only our costs but also those of Mills & Reeve.

To summarise, these delays arose for the following reasons:

- The need for Blackthorn/MK Fintech Limited to work on and resolve concerns raised by the Company's service provider.
- Blackthorn seeking legal and professional advice in regard to sales of insolvent businesses, TUPE and VAT.
- Blackthorn establishing a Special Purpose Vehicle (SPV) to hold the business purchase (i.e., MK Fintech Limited).
- Negotiations around the transfer of the Company's registered name.
- MK Fintech Limited obtaining its VAT registration.
- The need for the Company, the proposed Administrators and Blackthorn to obtain legal opinion on VAT and GDPR matters.

Although these matters increased the costs associated with the case, they ensured that the Administration purpose would be achieved and that the business could be sold, which preserved 13 employees' jobs, thereby achieving a better result than insolvent Liquidation. The above work had to be undertaken in order for a sale to be achieved.

I am proposing to seek fee approval for £60,000 in relation to the pre-appointment time costs expended. We are proposing that the balance of Opus' pre-appointment time costs over £60,000 be written off.

A summary of the costs (excluding VAT) arising from the above work is as follows:

	£
Opus Restructuring LLP's time costs	78,817.50
Opus Restructuring LLP's other expenses	10.00
Agents' fees	15,085.00
Solicitors' time costs	50,980.00
Solicitors' expenses	154.00
Agents' expenses	567.90

At Appendix X are detailed Opus' charge-out rates and bases of expenses, and a summary of pre-appointment time costs incurred to 24 November 2021. Details of all pre-appointment work undertaken is covered above.

A payment of £7,500 plus VAT toward pre-appointment costs was paid by the Company on 27 September 2021.

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

	£
Opus Restructuring LLP's time costs	71,317.50
Opus Restructuring LLP's other expenses	10.00
Agent's fees	15,085.00
Solicitor's fees	50,980.00
Solicitor's expenses	154.00
Agent's expenses	567.90

Our Solicitors have agreed to reduce their pre-appointment fee – the final amount is still to be agreed.

Expenses

Opus incurred £10.00 of expenses pre-appointment. This relates to the completion of an electronic due diligence search which was required to be completed for Anti-Money Laundering (AML) purposes. This amount has been written off.

Mills & Reeve have incurred expenses of £154.00 for work in relation to the filings of the Notices of Intention to Appoint and Notice of Appointment. It is proposed these be paid in full.

Williams & Partners have incurred expenses of £567.90 for listing the Company's business for sale on IP-Bid, Deal Opportunities and Businesses For Sale. It is proposed these be paid in full.

Pre-Appointment Remuneration Schedule WESWAP.COM Limited Between 13 July 2021 and 24 November 2021

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0.00	0.00	0.00	0.20	0.20	20.00	100.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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
Creditors	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
Pre Appointment	99.20	43.50	121.90	1.30	265.90	78,797.50	296.34
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	99.20	43.50	121.90	1.50	266.10		
Time costs	37,275.00	13,965.00	27,427.50	150.00		78,817.50	
Average hourly rate	375.76	321.03	225.00	100.00			296.20

Description	Total Incurred £	Total Recovered £
CAT 2 Smartsearch fee	10.00	0.00
Totals	10.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	266.10
Total value of time spent to 24 November 2021	£	78,817.50
Total Pre-Appointment fees charged to 24 November 2021	£	7,500.00

Appendix IV: SIP16 Statement

Our ref: WE00086



TO ALL KNOWN CREDITORS

30 November 2021

Dear Sirs

4th Floor
Euston House
24 Eversholt Street
London
NW1 1DB

WESWAP.COM Limited - in Administration ("the Company")
Company No: 07189664

+44 (0) 20 3326 6454

londonhq@opusllp.com

I write to inform you that Steven John Parker and I were appointed Joint Administrators of the Company on 24 November 2021. Formal notice of the appointment is attached for your reference.

In accordance with Statement of Insolvency Practice 16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

PRE-PACKAGED SALE

The Company's business and assets were sold on 24 November 2021, immediately following the appointment of the Joint Administrators: this type of sale is commonly referred to as pre-packaged sale (or "Pre-Pack"). The main reason for the immediate sale of the business to a pre-identified purchaser was to preserve continuity of service for the Company's 21,000 live customers, avoiding disruption to their pre-loaded card and app services.

The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to achieve 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). The sale of the business and assets enables this statutory purpose to be achieved and, in my view, the outcome achieved was the best available outcome for creditors as a whole in all of the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner's firm is initially engaged by an insolvent company to help its board of directors consider the Company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an Administration is appropriate, the company may then instruct the insolvency practitioner's firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the Company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances. Once appointed as Joint Administrator, the role of the insolvency practitioners is to manage the company's affairs, business and assets with the objective of achieving a statutory purpose of an Administration.

In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the Administration has begun. When either assisting the company before Administration or acting as an Administrator, the insolvency practitioner's role is not to advise the directors personally or any parties connected with any potential purchaser, who are usually encouraged to take independent advice.

In this case, prior to commencement of the Administration, Opus Restructuring LLP ("the Firm") acted as advisors to the Board of Directors ("the Board") in relation to the options for the Company. For the avoidance of doubt, neither the Firm nor its insolvency practitioners (and staff) advised the directors personally, nor any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board remained responsible for and in control of the Company's affairs.

During the pre-appointment period, the insolvency practitioners of the Firm took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy not only prevented the Company's customers' service from being disrupted, it also significantly reduced the ongoing costs of securing and maintaining the business and assets, and it avoided the substantial risk that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Finally, it also assisted in securing the jobs for the staff who worked for the Company and therefore reduced any preferential claims that may have arisen from an alternative insolvency procedure.

Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the Court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and, mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Ethical Considerations

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Prior to the Joint Administrators' appointment, the following potential/perceived threats to compliance with the Code of Ethics were identified – that the Joint Administrators' objectivity might be called into question, for the following reasons:

- (a) the initial, formal engagement of the insolvency practitioners as advisors to the Company had been approved by the Directors and the primary chargeholder and largest shareholder, IW Capital (Security Trustees) Ltd (“IW Capital”);
- (b) the insolvency practitioners’ involvement with the Company lasted for a prolonged period of 3-4 months (considerably longer than initially envisaged), due to the collapse of an initial proposed sale of the business and the need to run a second marketing and sale process.

The safeguards put in place to mitigate these threats by the insolvency practitioners ensured that they only provided advice to the Board and senior management in relation to the proposed sale and Pre-Pack and never directed the Company, in any way. Instead, the Company relied on an independent firm of agents to manage the marketing and sale process and an independent firm of solicitors to advise on the legal aspects of the Sale.

When instructing third parties to provide specialist advice and services or having the specialist services provided by the Firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects 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.

- Williams & Partners Limited – Valuing agents
- Mills & Reeve LLP – Solicitors

As part of my reporting obligations, I am also required to inform creditors should the business and assets of the Company have previously been acquired from an insolvent company. To the best of my knowledge, they have not.

Initial Introductions

The Company’s directors were referred to Opus Restructuring LLP by David Altberg, a legal consultant, on 13 July 2021, to help advise on the options available for the Company, as it was deemed to be potentially insolvent.

Pre-appointment Matters

In addition to advising on the Company’s options, our advice covered marketing the business and negotiating and agreeing the contract to be executed, immediately following the Joint Administrators’ appointment. A signed engagement letter was received from the directors of the Company on 5 August 2021.

The fee agreed in respect of our pre-appointment advice was based on the time costs properly incurred by my staff and me at Opus Restructuring LLP’s standard charge out rates, estimated at the outset to amount to £15,000 to £17,500 plus VAT.

Due to the prolonged nature of our pre-appointment involvement, our actual time costs far exceeded our initial estimate and are in excess of £50,000. The Joint Administrators intend to provide full details of the work carried out and a detailed analysis of our time costs, when seeking to have these fees approved and paid from the insolvent estate, in our formal Proposals to creditors which we will issue in due course.

The Company traded as a travel money provider, providing pre-paid credit cards for travellers and holidaymakers. Its registered address was 85 Great Portland Street, London, W1W 7LT.

The directors advised that the Company had become insolvent due to the following factors:

In March 2020, governments around the World introduced widespread restrictions on international travel due to the Covid pandemic, causing the Company's revenues to be cut almost to zero.

The Board immediately took a number of cost-saving measures in an attempt for the Company to survive, such as reducing the size of the team from 40 to 15 people, moving from an office to working remotely and asking for voluntary salary cuts from senior staff.

The following security had been granted by the Company and was outstanding at the date of Administration:

Type of Security	Name of Charge holder	Date of Creation of Security
Fixed & Floating Charge	IW Capital (Security Trustees) Limited	21 December 2020
Fixed & Floating Charge	IW Capital (Security Trustees) Limited	20 December 2020
Fixed & Floating Charge	IW Capital (Security Trustees) Limited	3 May 2019
Fixed & Floating charge	Ascot SPV II Limited	15 May 2017

A deed of priority exists, between IW Capital and Ascot SPV II Limited, which states that both lenders rank pari passu with one another.

By the end of July 2021, it had become apparent that the Company required funding above the level available to it by its bank and other lenders. The extent of historic debt on the Company's balance sheet meant that the Company's main investors were not willing to advance the necessary funding in order to ensure that the Company could meet its liabilities, without a restructuring of the Company's long-term liabilities.

A review of the Company's cash-flows revealed that there would be sufficient working capital available to allow the Company to continue to trade in the short to medium term in order for it to

continue to negotiate with its creditors and, should that not be successful, to initiate a marketing process to try to identify a purchaser.

The options listed below were considered with the directors:

Continuing to trade outside insolvency or through a Moratorium

The Company had limited cash resources and its cash constraints were impacting on its ability to continue trading.

Due to the level of the Company's historic liabilities, the main shareholders and lenders confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, once its cash at bank was depleted.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. However, it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill and overall realisations would have been greatly affected because they would have been sold under the stigma of a Liquidation and on a 'forced sale' basis. Moreover, a Liquidation would cause a break in the supply of the Company's card services, which would enable a value to be maintained.

Pre-packaged Administration Sale

There was sufficient working capital to allow medium-term trading to continue in order that the Company and/or its business and assets to be exposed thoroughly to a marketing process. The benefits of achieving a pre-packaged sale were: the transfer of the employees and the avoidance of a break in the supply of the Company's card services, which would enable a value to be maintained.

The Joint Administrators' Options on Appointment

Prior to appointment, the proposed Joint Administrators considered that trading the business during the Administration would not be viable, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably.

The Company's major creditors including its largest unsecured creditor, Yalamanchili International UK Ltd, were contacted and the Company's circumstances and proposed strategy were explained.

The creditors did not raise objections to the proposed pre-pack strategy and were given the option of making an offer for the Company or its business and assets.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Opus Restructuring LLP for advice and we were advised that the Company had previously circulated potential investors for fund-raising purposes but had not undertaken a formal marketing process for sale.

A firm of agents, Williams & Partners Ltd, were then instructed to market both the Company, and its business and assets, and were advised of any potentially interested parties known to the directors.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible and in a way that would generate the maximum number of rapid responses, by advertising on the agents' and various other well-known sites, including IP- Bid, Deal Opportunities and BusinessForSale. Of these, IP-Bid and Deal Opportunities are well-known websites for distressed businesses and BusinessForSale is a site with international reach for non-distressed companies. The Deal Opportunities advert was emailed to over 36,000 recipients.

In all, the marketing process lasted from the placement of the first adverts on 24 August 2021 and the acceptance of an offer from the ultimate Purchaser, on 27 October 2021. The marketing process lasted longer than would normally be the case for a transaction of this size because an initial marketing exercise resulted in a potential sale to IW Capital, however the sale fell through on 6 October 2021. As such, a supplemental marketing exercise was undertaken.

In total, the Company's agents received 96 enquiries from potentially interested parties. Further to this, 92 Non-disclosure Agreements ("NDAs") were sent out (with the other parties applying too late in the process). 59 signed NDAs were returned and 50 Information Memorandum ("IM") packs were sent out, following telephone conversations.

Telephone calls were made to all parties who initially engaged in the process but did not follow up their interest. From these conversations, the Company's agents noted several reasons why parties decided not to pursue their interest: most commonly, because the Company had been loss-making; because the Company forecast additional funding in order to reach break-even; or, because the Company was deemed to have reduced value, as it no longer owned any material IP.

Detailed due diligence was undertaken by a number of parties – ten of whom were given access to the data room. Follow up video calls were held with most of these parties and this resulted in six written offers being received, ranging between £1 and £101,000.

The Company's agent reviewed the six written offers and made a final recommendation to accept the offer put forward by MK Fintech Limited, for the following reasons:

- it had the highest monetary value and included a transfer of all staff, thereby avoiding redundancies and employee claims.
- the WeSwap senior management were willing to work with MK Fintech Limited and their continuing involvement with the business was deemed to be key to its future success.
- MK Fintech Limited had been approved by WeSwap's key operational business partners: Mastercard, Manigo and Monavate.

MK Fintech Limited is a subsidiary of the Blackthorn Finance Group, a larger group of companies who provided proof of funding when we were reviewing the offers received.

MK Fintech Limited paid a non-refundable deposit of £20,000 and entered a period of exclusivity in order to complete the purchase. A number of complexities arose during the sale negotiations, principally around regulatory approvals, GDPR and the handling of customer data, and taxation, leading to a final deal being agreed and signed on 24 November 2021.

The reasons for the marketing and media strategy adopted were that they seemed most appropriate for a fintech business of this type: the level of interest received strongly supports this judgement.

I was satisfied that the marketing strategy adopted has achieved the best available outcome for creditors, as a whole, in all the circumstances.

Valuation of the Business and Assets

Williams and Partners Ltd were instructed on 13 August 2021 to value the business and assets of the Company. They confirmed their professional independence, that they are qualified by NAVA (National Association of Valuers and Auctioneers) and have adequate professional indemnity insurance.

Their valuation was received on 22 September 2021 and is detailed below:

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets			
Goodwill (incl. IP & data)	Up to 150,000	447,400-621,600	99,003
Computer/office equipment	1,085-1,365	2,195-2,310	1,997
Total	1,085-151,365	449,595-623,910	101,000

The goodwill of the Company was valued, and this valuation included the Company's customer base, trading partners, historical trading data and intellectual property (including the WeSwap brand and domains).

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole without a break in trading. The forced sale basis reflects a sale whereby there is a break in trading or whereby the assets are sold piecemeal to different purchasers. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets was less than the agents' valuation because purchasers applied a heavy discount to the future value of the business based on ongoing uncertainty surrounding international travel due to Covid. The Company had never made a profit and, although it had received a significant amount of investment since incorporation (amounting to almost £30m), the Company was forecasting that between £0.75m-1.25m of additional funding would be required to achieve breakeven, on the basis that international travel returned to a modest approximation of pre-Covid levels by Summer 2022: many interested parties were not willing to accept that level of risk and those that did proceed discounted their offers, accordingly.

Customer funds were not included in the valuation as these are held by an FCA regulated third party and do not form part of the assets of the Company. In addition, the Company no longer owns its own technology stack, having recently migrated to an outsourced end-to-end operating platform, so the valuation of software is negligible.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 24 November 2021 with MK Fintech Limited, a company within the Blackthorn Finance group of companies.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates.

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier. As part of the Sale, the Company's Director agreed to terminate his employment and will not be working with the purchasing entity.

The assets

The Sale included the assets listed below and was completed by means of a formal sale and purchase agreement. The WeSwap name is to be made available to the purchaser, as part of the Sale, by way of a formal name change of the Company to be affected by shareholder resolution.

The sale consideration

The sale consideration totalled £101,000 plus VAT and required £101,000 (inclusive of VAT) to be paid on completion and the remainder being £20,200 (inclusive of VAT) to be paid on the earlier of 7 January 2022 or the date when the Company formally changes its name at Companies House.

The sale consideration has been allocated to the following asset categories:

Customer database	£75,000
Intellectual Property and know-how	£24,000 (fixed charge)
Computer and office equipment	£1,997 (fixed charge)
Goodwill	£1 (fixed charge)
Contracts	£1
Records	£1

The Company's goodwill, intellectual property and equipment are classes of assets stated as being subject to fixed charges. The validity of these charges has yet to be verified, however the allocation above has been reached by reference to the charge documents.

Cash at bank, customer funds and the Company's historic software platform were excluded from the Sale.

There were 13 employees who were transferred as part of the Sale.

Despite the Joint Administrators' request that a personal guarantee or debenture be given in respect of the deferred consideration, the purchaser's directors refused to agree to this condition. In light of the low interest in the business and assets from other parties, the likely significant reduction in sale proceeds in the event that a going concern sale could not be concluded, and the quantum of payment expected on completion, the Joint Administrators considered that the Sale should be completed in the best interests of creditors as a whole and other stakeholders.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale. The Sale is not part of any wider transaction.

OTHER MATTERS

The effect of the Administration is to provide protection to the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine queries. However, it would assist with the preparation of an accurate statement of the Company's affairs if you will forward a statement of your account made up to 24 November 2021. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company's business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information which may be relevant, please contact me as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

FURTHER INFORMATION

Almost all future communications to creditors in general will be uploaded to our website without further notice to creditors. The enclosed notice explains how you may access future correspondence issued by the Joint Administrators to creditors generally.

The following documents have been uploaded to the website for viewing/completion by creditors:

- Notice of Appointment
- Proof of debt
- Creditors' questionnaire
- Opting-out Information

Should you require a physical copy of any document, please contact Emma-Jayne Johnson on 01908 752 945 or at Emma.Johnson@opusllp.com.

A privacy notice as required by data protection legislation is available at <https://opusllp.com/privacy-policy/>

Please also note that, should the Joint Administrators need to communicate with you about your specific circumstances or requests, they will do this directly and not via the website.

"A Creditors' Guide to Administrators' Remuneration" is available to download at <https://opusllp.com/restructuring-insolvency/creditor-portal/>. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

As required by the Insolvency Act 1986, the Joint Administrators will prepare proposals which will be uploaded to the website within eight weeks of the commencement of the Administration. In reality, we intend to issue our proposals as soon as reasonably practicable. We intend to convene a decision-making procedure of creditors to take place during December 2021. At that stage, creditors may choose to form a Creditors' Committee. For information on the rights, duties and the functions of Committees, please go to <https://opusllp.com/literature/r3-guide-to-creditors-committees/>.

Should you wish to know more about the insolvency process in general, I recommend that you visit www.creditorinsolvencyguide.co.uk.

Should you have any queries please contact my colleague, Emma-Jayne Johnson, at Emma.Johnson@opusllp.com.

Yours faithfully
for and on behalf of
WESWAP.COM Limited



Allister Manson
Joint Administrator

Enc. Notice of General Use of Website

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

Appendix V: The Directors' Estimated Statement of Affairs

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets Subject to Fixed charge:		
Goodwill	Uncertain	1.00
Assets Subject to a Floating Charge:		
Contracts	Uncertain	1.00
IP	Uncertain	24,000.00
Database	Uncertain	75,000.00
Records	Uncertain	1.00
Fixed Assets	16,471.00	1,997.00
Uncharged Assets:		
Cash at Bank	57,500.00	57,500.00
Debtors	224,695.00	Nil
Estimated Total Assets Available to Preferential Creditors:	298,666.00	158,500.00

Notes

Debtors consist of HMRC refunds and prepayments to suppliers, both of which are due considerable debts. Consequentially it is deemed that there will not be any realisations in this regard.

The uncertain book values are due to the assets not appearing in the management accounts

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		158,500.00
Liabilities		
Preferential Creditors:		
HMRC	656,008.72	
Employees	Nil	
		656,008.72
Estimated Deficiency / Surplus as Regards Preferential Creditors		(497,508.72)
Estimated Prescribed Part of Net Property Where Applicable (to carry forward)	Nil	
Estimated Total Assets Available for Floating Charge Holders		(497,508.72)
Debts Secured by Floating Charge:		
IW Capital	5,890,746.00	
Ascot	1,136,922.00	
		(7,027,668.00)
Estimated deficiency/surplus of assets after floating charges		(7,525,176.72)
Estimated Prescribed Part of Net Property Where Applicable (brought down)	Nil	
		Nil
Total Assets Available to Unsecured Creditors		(7,525,176.72)
Unsecured Claims (excluding any shortfall to floating charge holders)		
Bridging loan	77,000.00	
Short Term loan	125,000.00	
Convertible loan	97,863.00	
Future fund match loan	174,430.00	
Future fund convertible loan	174,430.00	
Convertible loan	50,000.00	
Trade Creditors	3,534,738.70	
		(4,233,461.70)
Estimated Deficiency/Surplus as Regards Non-Preferential Creditors (excluding any shortfall to floating charge holders)		(11,758,638.42)
Estimated Deficiency as regards Unsecured Creditors		
Issued and Called Up Share Capital	24,497,681.00	
Estimated total Deficiency / Surplus as Regards Members		(36,256,319.42)

B - Company Creditors

Name of Creditor	Address	Total Amount of Debt £	Details of Any Security Held	Date Given Security	Value of Security £	Unsecured Debt £
3Search Limited	Formal House 60 St. Georges Place Cheltenham GL50 3PN	3,600.00	N/A	N/A	N/A	3,600.00
42 Bruton	55-56 Russell Square London WC1B 4HP	3,640.00	N/A	N/A	N/A	3,640.00
Adobe	Market House Maidenhead SL6 8AD	202.28	N/A	N/A	N/A	202.28
Anne Jagger Recruitment	The Stanley Building 7 Pancras Square London N1C 4AG	1,226.70	N/A	N/A	N/A	1,226.70
Apps Flyer	87-91 Newman Street London W1T 3EY	516.96	N/A	N/A	N/A	516.96
Ascot SPV II Limited	The Courtyard Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN	1,136,922.00	N/A	N/A	1,136,922.00	N/A
Banfico Ltd	1 Canada Square Level39 London E14 5AB	33,700.00	N/A	N/A	N/A	33,700.00
BestExchangeRates.com	International Towers Sydney, Level 35, Tower One 100 Barangaroo Ave Barangaroo NSW 2000	32.00	N/A	N/A	N/A	32.00
London Borough of Camden	Camden Reception 5 Pancras Square London N1C 4AG	3,048.37	N/A	N/A	N/A	3,048.37
Currency Cloud	The Steward Building 12 Steward Street London E1 6FQ	44.86	N/A	N/A	N/A	44.86
Chalkline	Unit 2, Stirling Court Stirling Way Borehamwood WD6 2FX	1,076.91	N/A	N/A	N/A	1,076.91
Travel Online Group Limited	3rd Floor Regus News Building No 3 London Bridge Street London SE1 9SG	910.36	N/A	N/A	N/A	910.36
Contis Financial Services Ltd	Navigation House Belmont Wharf Skipton BD23 1RL	2,000.00	N/A	N/A	N/A	2,000.00
CSP car parking	Unit 1, Abloy House Hatters Lane, Croxley Park Watford WD18 8AJ	2,000.00	N/A	N/A	N/A	2,000.00
Dot Zinc	5 Copper Row London SE1 2LH	6,413.00	N/A	N/A	N/A	6,413.00
Empiric Solutions Ltd	1 Old Jewry London EC2R 8DN	10,800.00	N/A	N/A	N/A	10,800.00
FHR airport Services Ltd	Unit 7 Borers Yard Borers Arms Road Copthorne Crawley RH10 3LH	2,768.40	N/A	N/A	N/A	2,768.40
Finder.com	Level 2 20 St Thomas St London SE1 9RS	242.40	N/A	N/A	N/A	242.40
HW Fisher	Acre House 11/15 William Road London NW1 3ER	12,000.00	N/A	N/A	N/A	12,000.00
Global Wide Media	20 Little Britain London EC1A 7DH	948.00	N/A	N/A	N/A	948.00
Glow Telecoms	2, Palace Court 250 Finchley Rd London NW3 6DN	1,675.21	N/A	N/A	N/A	1,675.21
Hayes Parsons Insurance Brokers	colston tower Colston St Bristol BS1 4XE	10,806.20	N/A	N/A	N/A	10,806.20
Hiscox Insurance	1 Great St Helens London EC3A 6HX	882.00	N/A	N/A	N/A	882.00
Hootsuite Media	90 High Holborn Holborn London WC1V 6LJ	59.99	N/A	N/A	N/A	59.99
Hutchison 3 G UK Ltd	Great Brighams Mead Vastern Road Reading RG1 8DJ	2,851.20	N/A	N/A	N/A	2,851.20
IDT Financial Services Limited	3 Devonshire St London W1W 5DT	701,044.27	N/A	N/A	N/A	701,044.27
IDV	The Hub 301 Triq Sant Andrija San Gwann SGN 1612	17,389.47	N/A	N/A	N/A	17,389.47
IW Capital (Security Trustee) Limited	42 Bruton Pl London W1J 6PA	6,498,982.00	Fixed & Floating Charge	N/A	5,890,746.00	608,236.00

LexisNexis	Lexis House 30 Farringdon St London EC4A 4HH	79,774.33	N/A	N/A	N/A	79,774.33
Lionshead Law Ltd	78 York St London W1H 1DP	450.00	N/A	N/A	N/A	450.00
Locke Lord	201 Bishopsgate London EC2M 3AB	5,470.20	N/A	N/A	N/A	5,470.20
LycaFly	Walbrook Building 195 Marsh Wall London E14 9SG	1,522.80	N/A	N/A	N/A	1,522.80
Manigo Services Ltd	1 Canada Square Level 39 London E14 5AB	53,445.00	N/A	N/A	N/A	53,445.00
Memery Crystal LLP	165 Fleet Street London EC4A 2DY	19,000.00	N/A	N/A	N/A	19,000.00
Neopay Ltd	Lower Ground Floor 161-165 Farringdon Road London EC1R 3AL	1,200.00	N/A	N/A	N/A	1,200.00
Netsuite	7th Floor, 5 New Street Square New Fetter Lane London EC4A 3BF	6,892.80	N/A	N/A	N/A	6,892.80
Powered By Coffee	35 Wimbledon Hill Rd London SW19 7NB	12,400.00	N/A	N/A	N/A	12,400.00
Rackspace Limited	Unit 5 8 Millington Road Hyde Park Hayes Hayes UB3 4AZ	39,725.76	N/A	N/A	N/A	39,725.76
RANGLE.IO	Keizersgracht 555 1017 DR Amsterdam Netherlands	54,380.00	N/A	N/A	N/A	54,380.00
RSM Corporate Finance LLP	6th Floor 25 Farringdon Street London EC4A 4AB	10,499.90	N/A	N/A	N/A	10,499.90
Salesforce	village 9, floor 26 Salesforce Tower London EC2N 4AY	1,212.53	N/A	N/A	N/A	1,212.53
Sam Williamson	Address not supplied	5,000.00	N/A	N/A	N/A	5,000.00
Setoo SAS	30 Bankside Court Stationfields Kidlington OX5 1JE	1,800.00	N/A	N/A	N/A	1,800.00
Slack	Yalding House 152-156 Great Portland St London W1W 5QA	894.36	N/A	N/A	N/A	894.36
Smarter Click Technology Ltd	Office 7-102 30 Churchill Place 7th London E14 5RE	2,430.00	N/A	N/A	N/A	2,430.00
Speedster IT	87 Whitechapel High St London E1 7QX	10,182.89	N/A	N/A	N/A	10,182.89
Spirit	Address not supplied	1,780.89	N/A	N/A	N/A	1,780.89
Strand Hanson Limited	26 Mount Row London W1K 3SQ	9,000.00	N/A	N/A	N/A	9,000.00
Stripe	Address not supplied	50,559.51	N/A	N/A	N/A	50,559.51
Temple Bright	81 Rivington Street London EC2A 3AY	4,416.00	N/A	N/A	N/A	4,416.00
Trustpilot	5th Floor, The Minster Building 21 Mincing Lane London EC3R 7AG	3,300.00	N/A	N/A	N/A	3,300.00
Uniqodo Limited	11th Floor No. 1 Croydon 12-16 Addiscombe Road Croydon CR0 OXT	4,400.00	N/A	N/A	N/A	4,400.00
Untapped Digital Ltd	41 Old Street London EC1V 9AE	2,280.00	N/A	N/A	N/A	2,280.00
Virgin Media	Griffin House 161 Hammersmith Road London W6 8BS	175.56	N/A	N/A	N/A	175.56
Workspace Management Limited	Canterbury Court Kennington Park 1-3 Brixton Road London SW9 6DE	155.47	N/A	N/A	N/A	155.47
Worldpay AP Ltd	The Walbrook Building 25 Walbrook London EC4N 8AF	7,114.29	N/A	N/A	N/A	7,114.29
Yalamanchili International UK Ltd	6th Floor One London Wall London EC2Y 5EB	1,717,161.83	N/A	N/A	N/A	1,717,161.83
56 Creditors		10,562,406.70			7,027,668.00	3,534,738.70

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address *	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
IW Capital (Security Trustees) Limited	£5,890,746	Fixed and Floating Charge	21 December 2020	£5,890,746
IW Capital (Security Trustees) Limited		Fixed and Floating Charge	20 December 2020	
IW Capital (Security Trustees) Limited		Fixed and Floating Charge	3 May 2019	
Ascot SPV II Limited	£1,136,922	Fixed and Floating Charge	15 May 2017	£1,136,922

* The addresses of the secured creditors are as follows:

IW Capital (Security Trustees) Limited
42 Bruton Place,
London
W1J 6PA

Ascot SPV II Limited
The Courtyard Shoreham Road,
Upper Beeding,
Steyning,
West Sussex,
BN44 3TN

Appendix VI: Receipts and Payments Account

WESWAP.COM Limited - In Administration Joint Administrators' Abstract of Receipts & Payments

From 24 November 2021 To 10 December 2021

S of A £		£	£
	FIXED CHARGE REALISATIONS		
1.00	Goodwill	1.00	
1.00			1.00
	ASSET REALISATIONS		
57,500.00	Cash at Bank	57,500.00	
1.00	Contracts	1.00	
24,000.00	Intellectual Property	20,000.00	
75,000.00	Customer Database	62,500.00	
1.00	Records	1.00	
1,997.00	Fixed assets	1,664.00	
158,500.00			141,666.00
	COST OF REALISATIONS		
	Nil	Nil	
			NIL
	UNSECURED CREDITORS		
(3,534,738.70)	Trade Creditors		
(77,000.00)	Bridging loan		
(125,000.00)	Short Term loan		
(97,863.00)	Convertible loan		
(174,430.00)	Future fund match loan		
(174,430.00)	Future fund convertible loan		
(50,000.00)	Convertible loan		
(4,233,461.70)			
			141,667.00
	REPRESENTED BY		
	Fixed charge account	1.00	
	VAT payable	28,333.00	
	Floating charge account	113,333.00	
			141,667.00

Appendix VII: Estimated Outcome Statement

Estimated Outcome Statement as at 10 December 2021

	Notes	Statement of Affairs £	Realised / paid to date £	Estimated future realisations/payments £	Total £
Assets Specifically Pledged					
Goodwill		1.00	1.00	0.00	1.00
Total Assets Available for Floating Charge Creditors		1.00	1.00	0.00	1.00
Assets Not Specifically Pledged					
Contracts		1.00	1.00	0.00	1.00
Intellectual property		24,000.00	20,000.00	4,000.00	24,000.00
Customer		75,000.00	62,500.00	12,500.00	75,000.00
Records		1.00	1.00	0.00	1.00
Fixed Assets (Computer and office equipment)		1,997.00	1,664.00	333.00	1,997.00
Cash at Bank		57,500.00	57,500.00	0.00	57,500.00
Chattel assets in storage	1	0.00	0.00	1.00	1.00
Debtors		0.00	0.00	0.00	0.00
Total Assets			141,667.00	16,834.00	158,501.00
Estimated surplus to pay costs and other creditors			141,667.00	16,834.00	158,501.00
Less: Costs	2				
Pre-appointment Administration Fee (see Appendix III)	3		0.00	(60,000.00)	(60,000.00)
Pre-appointment Legal Fees and expenses			0.00	(40,000.00)	(40,000.00)
Agent's fees			0.00	(13,985.00)	(13,985.00)
Joint Administrators' Fees			0.00	(69,537.50)	(69,537.50)
Post Appointment Legal Fees			0.00	(15,000.00)	(15,000.00)
Post Appointment Agent Fee (10% deferred consideration)			0.00	(1,683.30)	(1,683.30)
Category 1 disbursements	4		0.00	(3,290.00)	(3,290.00)
Total	5		0.00	(203,495.80)	(203,495.80)
Estimated Funds Available for Preferential Creditors	6				Nil
Preferential Creditors					
HMRC				(656,008.72)	(656,008.72)
Floating Charge Holders					
IWC				(5,890,746.00)	(5,890,746.00)
Ascot				(1,136,922.00)	(1,136,922.00)
Estimated Funds Available for Unsecured Creditors					Nil
Unsecured Creditors as per SOA					
				(4,233,461.70)	(4,233,461.70)
Summary of estimated outcomes for creditors					
Distribution to floating charge creditors					Nil
Distribution to preferential creditors					Nil
Distribution to unsecured creditors					Nil

Notes:

1. We have been made aware that there are some chattel assets in storage. It is likely that the costs of retrieving these assets will outweigh the recovery, they are therefore recorded at £1
2. All sums above are shown exclusive of VAT
3. We can confirm that the Company paid £7,500 to Opus prior to appointment, on account in respect of pre-appointment fees.
4. These category 1 disbursements are broken down in the Joint Administrators' Proposal
5. Please note that there are insufficient realisations to cover the costs of the Administration. These are the estimated costs of the Administration: the actual costs will be limited to what funds are available. Any costs above this will be written off.
6. There will be insufficient funds to enable a distribution to be made to any class of creditor in the Administration.

Appendix VIII: 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 IX.

The Fees Estimate has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit.
- no exceptional work will be required to realise the remaining assets and collect in the deferred consideration.
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration

On 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.

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
Administration (including statutory reporting)		122.5	262.35	32,137.50
Statutory/advertising	Filing and advertising to meet statutory requirements (regarding Administration and appointment of Administrators) Completing Companies House filings (Appointment of Administrator, change of Registered Office, Administrators' proposals, dissolution etc.) Notifying the Information Commissioner and Financial Conduct Authority of the administration	4	256.25	1,025.00
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists and diaries	21	228.57	4,800.00
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments	20	193.75	3,875.00
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case	15	288.33	4,325.00
Books and records / storage	Dealing with records in storage Sending case files to storage	4	193.75	775.00

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
Creditor reports & Decisions	SIP16 disclosure following pre-pack sale of assets Preparing proposal, six monthly progress reports, fee authority report to secured and preferential creditors (where appropriate), conversion to CVL (where appropriate) and final report Seeking extension via creditors (where appropriate) and/or court Reporting to secured creditor appointor Proposing further fee approval (where the fees estimate is not for the administration of the case to conclusion) Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure (For virtual meeting) Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting Issuing notice of result of decision on Proposals	60	295.83	17,750.00
Investigations		29	288.33	2,162.50
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken	21	284.52	5,975.00
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations (if required)	8	268.785	2,150.00
Realisation of Assets		16	303.13	4,850.00
Sale of Business	Corresponding with purchaser and collecting n Deferred Consideration from Sale Dealing with changing the Company's registered name, as agreed with the purchaser	7	325.00	2,275.00
Residual Physical Assets	Attending storage premises Instructing an agent to give advice/complete desktop valuation/complete physical valuation if necessary Instruct agent to collect, value and handle sale Reviewing asset listings Liaising with landlord f storage premises	6	283.33	1,700.00
Cash at Bank	Liaise with Company to transfer cash Contacting banks of request residual balances/further sums to be transferred Follow up with banks where required	1.5	308.33	462.50
Insurance	Identification of potential issues requiring attention of insurance specialists	2	287.50	575

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
	Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers			
Creditors		76	300.33	22,825.00
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator Notifying customers and setting up specific inbox for queries, and liaising with WeSwap staff regarding this notification			
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding to creditor queries regarding completion and supporting evidence Answering creditor queries relating to claims			
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims			
Resolving Creditor Issues Arising from Sale of Business	Meetings and correspondence with purchaser Meetings and correspondence with aggrieved creditor	23	344.57	7,925.00
Creditors' Committee	No estimate has been provided, as it has been assumed that no Committee will be established	-	-	-
Pension Matters	Filing a S120 notice Declaring Company as no longer being an employer Corresponding with pension regulator, PPF and scheme trustees Assessing pension position and instructing specialist if appropriate (considered unlikely as believe sums paid up-to-date)	4.5	263.89	1,187.50£
Total		249.5	278.71	69,537.50

Administration (including Statutory Reporting)

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.

This work includes a lot of creditor reporting, namely: a report on the sale of the Company's business, these proposals, 6 monthly reports and a final account upon the completion of the Administration proceedings. These are all large documents and require input from staff at every level.

Investigations

At present, the Joint Administrators' investigations are ongoing, and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

In order to undertake the above investigation work, the Company's records must be secured and reviewed. Additionally, information must be sought and obtained from all parties who have held a directorship (formally or informally) during the three years prior to administration.

Realisation of assets

The receipts and payments account at Appendix VI sets out the realisations achieved to date and the Estimated Outcome Statement at Appendix VII sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are covered:

- Sale of business and assets: collecting the deferred sale consideration
- Dealing with the change of the Company's registered name as agreed as part of the Asset Sale Agreement. This will involve obtaining legal advice, holding a meeting of shareholders and completing filings at Companies House.
- Cash at bank: liaising with Company's finance department to transfer cash at bank and corresponding with banks to ensure accounts are cleared to zero and closed
- Physical assets: Dealing with the valuation and realisation of physical assets we were informed of post-appointment (if they have any realisable value)

Creditors

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries and submissions of proofs of debt. Additionally, time is being spent assisting in the negotiations of the purchasing company and a crucial service creditor. This work is being undertaken to preserve the purpose of the Administration because if an agreement cannot be reached with the purchaser and this supplier, the Company's business will not be able to properly function. This could potentially adversely affect the jobs of the staff who were transferred to the purchasing company.

Liquidation (End of Administration)

It is not anticipated that it will be necessary for the Administration to progress to a Liquidation, consequentially an estimate for cost in this event have not been provided. It is instead anticipated that dissolution will be appropriate in this case.

Appendix IX: Breakdown of the Joint Administrators' Time Costs

Joint Administrators' Remuneration Schedule

WESWAP.COM Limited

Between 24 November 2021 and 03 December 2021

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	6.00	9.30	21.60	3.10	40.00	10,472.50	261.81
Investigations	0.00	0.10	3.60	0.00	3.70	842.50	227.70
Realisation of Assets	8.50	1.50	6.20	0.00	16.20	5,070.00	312.96
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	12.00	1.60	6.90	0.00	20.50	6,562.50	320.12
Case Specific Matters	0.00	0.30	3.10	0.00	3.40	795.00	233.82
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	26.50	12.80	41.40	3.10	83.80		
Time costs	9,937.50	4,160.00	9,305.00	340.00		23,742.50	
Average hourly rate	375.00	325.00	224.76	109.68			283.32

Description	Total Incurred	Total Recovered £
Smartsearch fee	10.00	0.00
Totals	10.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	83.80
Total value of time spent to 03 December 2021	£	23,742.50
Total Joint Administrators' fees charged to 03 December 2021	£	0.00

Appendix X: Charge-out Rates and Expenses Policy

Staff	Charge out rates £ per hour
Insolvency Practitioner/Partners	375
Senior Manager	325
Senior Administrator	225
Cashier	150
Secretarial/Administration support staff	100

Appendix XI: The Joint Administrators' Expenses Estimate

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.

Category 1 Expenses	Basis	Estimate of total £
Pension Specialist – Clumber consulting: review pension position and ensure there are not any outstanding contributions	Set fee	150.00
Legal costs – Mills & Reeve LLP: providing advice in respect of validity of security, creditor matters, change of registered name, deferred consideration	Time-costs/CFA	15,000
Agents and Valuers – Williams & Partners: providing a valuation and assisting with a sale of the company's residual assets which were not part of the Asset Sale Agreement (based on 10% of the deferred consideration	Time-costs/%	1,684.00
Advertising	Set fee	99.45
Bank charges	Set fee	50.00
Bond premium (based upon assets of up to £250,000)	Set fee	230.00
Document collection, listing & storage	Set fee	2,000.00
Case management software and website document access	Set fee	185.00
Insurance (estimate premiums to be confirmed)	Set fee	500.00
Postage	Set fee	50.00
Travel: to Company storage premises	Set fee	25.00
Total		19,973.45

Category 2 Expenses:

It is not anticipated that any category 2 expenses will be incurred or charged for in this case.

Appendix XII: Summary of the Joint Administrators' Proposals

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:
 - (i) They collect the deferred sale consideration in relation to the sale of the Company's business and assets
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Administration may be concluded in one of the following ways:
 - I. The Joint Administrators end the Administration by filing a notice of dissolution with the Registrar of Companies. The Company will then be automatically dissolved by the Registrar of Companies three months after the notice has been filed. This outcome will arise if there is no remaining property which may permit a distribution to be made to any class of Company creditor.
 - II. The Joint Administrators will conclude the Administration by placing the Company into liquidation and propose that Allister Manson and Steven Parker of Opus Restructuring LLP be appointed as Joint Liquidators of the Company for the purposes of the winding up, and they may act jointly or severally in undertaking their duties.

In this event, creditors will be invited to nominate different person(s) to be appointed as Liquidator(s) in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules. The nomination must be made at any time after the proposals have been delivered to them but before they are approved. Information regarding the approval of these proposals is found Information about the process of approval of the Statement of Proposals is set out at Section 11.

This outcome will only be appropriate if there are residual assets which remain to be realised for the purposes of facilitating a distribution to Company creditors. Based upon the information currently known about the Company and its circumstance, it seems that this will be an unlikely outcome.

- 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, Allister Manson and Steven John Parker may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.