

AM03

Notice of administrator's proposals



Companies House

TUESDAY



A06 *A7YNAEXC*
05/02/2019 #283
COMPANIES HOUSE

1 Company details

Company number 07446749

Company name in full Blippar.com Ltd

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

2 Administrator's name

Full forename(s) Paul

Surname Appleton

3 Administrator's address

Building name/number 26-28

Street Bedford Row

Post town

County/Region London

Postcode WC1R4HE

Country

4 Administrator's name

Full forename(s) Paul

Surname Cooper

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

5 Administrator's address

Building name/number 26-28

Street Bedford Row

Post town

County/Region London

Postcode WC1R4HE

Country

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

AM03
Notice of Administrator's Proposals

6 Statement of proposals

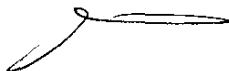
☒ I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature

X



X

Signature date

^d2^d9

^m0^m1

^y2^y0^y1^y9

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

Paul Appleton

Company name

David Rubin & Partners

Address

26 - 28 Bedford Row

Post town

London

County/Region

Postcode

W C 1 R 4 H E

Country

DX

Telephone

020 7400 7900



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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



Further information

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IN THE HIGH COURT OF JUSTICE

NO 010836 OF 2018

IN THE MATTER OF

BLIPPAR.COM LTD - IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

**THE JOINT ADMINISTRATORS' REPORT AND
STATEMENT OF FORMAL PROPOSALS AS REQUIRED BY
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986
AND RULE 3.35 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

BLIPPAR.COM LTD – IN ADMINISTRATION

JOINT ADMINISTRATORS' REPORT AND PROPOSALS - PARA 49

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BLIPPAR.COM LTD – IN ADMINISTRATION

**STATEMENT OF FORMAL PROPOSALS AND REPORT
OF THE JOINT ADMINISTRATORS AS REQUIRED BY
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

1. INTRODUCTION

- 1.1 Paul Cooper and I, Paul Appleton, both of David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE, were appointed Joint Administrators of Blippar.com Ltd (“the Company”) on 17 December 2018. The appointment was made by the Board of Directors pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 (“the Act”).
- 1.2 The Joint Administrators act jointly and severally in the exercising of any and all functions exercisable by an Administrator appointed under the provisions of Schedule B1 of the Act.

2. STATUTORY INFORMATION

The Company’s statutory information is set out in Appendix 1 of this report.

3. BRIEF TRADING HISTORY AND RESULTS

- 3.1 The business was incorporated on 22 November 2010 and specialised in the field of augmented reality (“AR”) and computer vision (“CV”). In essence, augmented reality is the projection of animated images in real time via the camera in a mobile phone. These images can be a range of different things, alternating from cartoons to virtual experiences to proximity marketing.
- 3.2 The Company’s principle activity was the provision of technology products and tools which harness AR, CV and artificial intelligence for a number of sectors including advertising, enterprise functions and fintech. The Company has six wholly-owned subsidiaries and 2 partly owned subsidiaries, collectively referred to as (“the Group”), which are based in a number of jurisdictions Worldwide.

Name	Country	%
Blippar LLC	USA	100
Blippar.com India Private Limited	India	99.9
Blippar Singapore PTE Limited	Singapore	100
Wave Optics Inc	USA	2.24
Layar BV	Netherlands	100
Blippar Turkey Bilism AS	Turkey	100
Blippar KK	Japan	100
Mobile R&D Inc	USA	100

It is understood that all of the wholly owned subsidiaries have ceased to trade and some are going through formal insolvency procedures in the relevant jurisdictions.

3. BRIEF TRADING HISTORY AND RESULTS...CONT.

The Company owns all of the Group's intellectual property and the subsidiaries were primarily incorporated over the years to employ sales teams in various territories, apart from in Silicon Valley, where the focus was on Artificial Intelligence. The US market was targeted initially as it had the advertising budgets and a population perceived to be more willing to try new technology.

3.3 The UK operations were conducted from Leasehold Premises at 5th Floor of West Building, No 1 London Bridge, London SE1 pursuant to a 10-year Lease with St Martins Property Investment Limited at an annual rental of £395,450 plus VAT payable quarterly in advance.

3.4 Extracts from the **Group's Consolidated** Financial Statements are as detailed below:

	Year ended 31-Mar-17 (Statutory Filed) £	Year ended 31-Mar-16 (Statutory Filed) £
Turnover	5,697,862	8,485,364
Gross profit	1,375,136	2,523,126
Operating loss	(34,453,571)	(24,212,374)
Retained loss b/f	(28,835,902)	(4,623,528)
Dividends	-	-
Retained loss c/f	(63,289,473)	(28,835,902)
Share Capital	2,562	2,512
Share Premium	65,140,018	65,139,568
Share Option Reserve	8,980,313	2,310,240
Foreign Exchange Reserve	(474,326)	717,271
Net Assets	10,359,094	39,333,689

The management accounts to 30 September 2018 indicated that turnover was £2,349,389 across the Group, with a loss of £14,262,581 being incurred.

3.5 The business has received steady investment since inception totalling circa US\$140m, much of which was used to develop the Company's AR technology ("the Technology") and software application ("the App") for iOS and Android. The App was free to download and use by consumers and had two primary modes:

- an image recognition camera able to search for and identify objects/human faces in the camera's focus and then relay information on the subject as well as related content within a knowledge graph. When launched by Blippar, this was the first time this technology had become available to the general public on a smartphone; and
- AR mobile games that the App's users were able to play.

There was an element of crossover between the two functions with certain objects transforming into AR mobile games when scanned using the camera function. It is understood that the App had a peak of circa 2 million monthly global users.

3. BRIEF TRADING HISTORY AND RESULTS...CONT.

- 3.6 The Company primarily generated revenue via partnerships with brands that would pay Blippar a one-off fee to produce an AR mobile experience surrounding one of the brand's products. The Company also offered brands the opportunity to create their own AR experiences using the Company's BlippBuilder developed toolkits and website application. The tool allowed people with no expertise in coding skills to easily build AR via a drag and drop method. It was initially used by many publishers and artists.
- 3.7 Additional Technology developed by the Company included software designed to deliver AR banner advertisements to smartphone and portable devices, and visual positioning systems for tracking users' locations to a greater accuracy than traditional GPS.
- 3.8 The Company acquired Layar BV ("Layar"), an Amsterdam based firm in 2014, for circa £3.9m, a similar AR company focussed on the magazine and publishing industry. Layar's standalone technology enabled print media to be scanned by mobile phones in order to activate AR experiences. *It is understood that the Layar product generated circa US\$20K per month in subscription income.*
- 3.9 The Group has been largely reliant on continued investor funding to cover the Company's significant investments in research and development and infrastructure. Since 2011, Blippar has received over 60 awards for its pioneering developments in AR technology, enhancing its credibility. The Company has worked with numerous leading brands such as McDonalds, Cadbury's, Jaguar Land Rover and Max Factor, enhancing its reputation and profile. At its peak, the business employed circa 200 people around the World.
- 3.10 However, the business faced challenges over the past year due to over expansion and competition in the industry. Big corporations such as Apple and Google had entered the AR market in 2017. Despite further investment during the summer and numerous cost cutting exercises with regard to overheads, staffing levels etc, liabilities grew and, in order to survive, *further investment was required.*

4. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS

- 4.1 During November 2018, the Company was proposing to offer convertible loan notes from a minimum of \$2.5m up to a maximum of \$5m. One of the Shareholders agreed to provide \$2.5m in funding but the remainder was required from another existing Shareholder or an external source. It should be noted that this required Shareholder consent and it was not apparent that this would be received from the requisite majority and class of Shareholders. One particular Shareholder believed that much more funding was required and it did not wish for its equity to be diluted any further.
- 4.2 Whilst the business had relatively recently rationalised the services it was providing, as part of the business plan proposed to investors, it was decided to focus going forward on the Software as a Service platform ("SaaS"), ie. a self-service platform delivering recurring revenue from an annual licensed base model. The intention was to wind down the remaining aspects of the business reducing headcount to a lean focused team of 30. In addition, the business would seek to move forward with strategic partnerships as well.

4. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS...CONT.

4.3 Given the situation, the Directors on the Board contacted David Rubin & Partners in order for a review of the financial position of the Company to be undertaken. A significant amount of information was requested and was subsequently sourced from the CFO of the Company. Consequently, an initial review was undertaken whilst negotiations with certain Shareholders ensued. It was apparent that the business was not insolvent during this period as it was continuing to be supported by its investors.

4.4 However, by the beginning of December 2018, it became clear that certain Shareholders would be able to veto the investment round even though the Shareholder willing to invest further, offered to put in the full quantum, ie. \$5m. Consequently, a Statement of Affairs of the Company was produced as at 12 December 2018 at the behest of Board, which detailed that the Company was insolvent on a balance sheet basis. In addition, given the level of liabilities falling due imminently, the Company was insolvent on a cash-flow basis as well.

4.5 As a result, it appeared that an insolvency procedure could be appropriate in the circumstances. This was especially pertinent given the investor impasse, the level of creditors and the Directors' fiduciary duties pursuant to the Companies Act.

Various procedures were explained to the Board in order that they were fully informed of the options available.

- a) As a Board, they could appoint Administrators pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 ("the Act");
 - b) The Directors could propose a Company Voluntary Arrangement ("CVA") to the creditors of the Company;
 - c) The Directors could resolve to convene the relevant meetings of Shareholders and Creditors with a view to placing the Company into Creditors' Voluntary Liquidation ("CVL"); or
 - d) A creditor could issue a Winding-Up Petition against the Company in respect of an unsecured liability with a view to it being placed into Compulsory Liquidation. The creditor could also petition to place the Company into Administration pursuant to Paragraph 12 of Schedule B1 to the Act.
- 4.6 Having considered the position, it was deemed that option (b) was not feasible in the circumstances due to the lack of regular income from which contributions could be made. Option (c) was also deemed inappropriate due to the length of time it would take to have the Company placed into that process and the stigma associated with that process given the high-profile nature of the business. Likewise, option (d) could have the effect of irrecoverably damaging the business. Accordingly, an Administration via option (a) was deemed the best option as the appointment could be secured relatively quickly with a view to safeguarding the business and assets.
- 4.7 Whilst it was clear to me that as one of the proposed Administrators, one of the statutory purposes of Administration could be achieved, prior to accepting any appointment, I would need to clarify the position.

5. PURPOSE OF THE ADMINISTRATION ORDER

- 5.1 Paragraph 3(1) of Schedule B1 of the Act states that Administrators must perform their functions with the objective of:
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 It was unlikely that the primary purpose of saving the Company would be achievable because of the level of the debt and investment accrued and the fact that this option had already been assessed. However, this option was always a possibility, especially given that there might be more exposure following the granting of an Administration Order.
- 5.3 Notwithstanding the above, the Company did have realisable assets in the form of its *Intellectual Property, computer equipment, debtor ledger and rent deposit*, which, by virtue of their nature, were more likely to be enhanced in terms of value in the event that the Company was placed into Administration rather than being placed into a Creditors' Voluntary Liquidation. In that regard, the Joint Administrators would need to assess the financial position on appointment and determine the level of realisable assets. We would also need to instruct Agents to value the business and assets, and undertake an appropriate marketing process. Whilst a going concern sale would not likely be achievable, it had been indicated that a number of parties could be interested in purchasing significant parts of the business. In that regard, the Administrators would look to market and sell the business and assets within a relatively short time period.
- 5.4 Accordingly, the second purpose of achieving a better result for the creditors as a whole than would be likely if the Company were wound up (without first being in Administration) was considered likely to be achievable.
- 5.5 In the event that the second purpose was not achievable, the likelihood that the third purpose of Administration (i.e. realising property in order to make a distribution to one or more Secured or Preferential Creditors) being achievable was likely as a return could be secured for the preferential creditors (employees).
- 5.6 In that regard, even if objective (a) could not be achieved, I was confident that objective (b) could be achieved, but failing that objective (c).
- 5.7 Accordingly, the Directors resolved to place the Company into Administration and Paul Cooper and myself were appointed as Joint Administrators at 10.19am on 17 December 2018. The Administration is registered in the High Court of Justice, Chancery Division, Companies Court under reference number 010836 of 2018.

6. ACTION TAKEN BY ADMINISTRATORS

- 6.1 The manner in which the affairs and business of the Company have been managed, since the appointment of Joint Administrators are set-out below.

Business Operations – Overview and Trading

- 6.2 Following appointment, immediate contact was made with the Directors and Senior Management of the Company, to inform them of the situation and advise that their powers of management had ceased as a result of the Administration. They were also advised that representatives from the Administrators' offices and Agents, PDS Valuers, ("PDS") would be in attendance later that day at the Company's premises to assess the position.
- 6.3 An initial meeting was scheduled with the CEO and CTO, together with certain Senior Management at 1.00pm. The members of my staff in attendance were Adam Shama, Ian Hardwick and Stephanie Bidaud, who were accompanied by Paul Goodacre from PDS. During that meeting, financial and practical matters were discussed and it was clear that the Company could not continue to trade given the level of ongoing costs set against the paucity of funds in the Company.
- 6.4 It was also agreed that a meeting with the staff would be arranged for 2.00pm. Certain employees were also present on the call by video-conference or conference call. It was noted that a small number of employees had been unable to attend given the short notice provided and the fact that they were on annual leave.
- 6.5 It was explained that the Company had ceased trading and had been placed into Administration and there were insufficient funds remaining with which to fund any trading during the process. In that regard, the Company would be unable to make payment to the employees for any money to which they were entitled for services rendered by them under their contracts of employment with the Company and they should, therefore, regard their contract of employment as terminated on the grounds of redundancy with immediate effect. A letter was provided to those present that day explaining the position and advising their rights to claiming entitlements from the Insolvency Service via the Redundancy Payments Fund. The letter was also dispatched by email and further enquiries from employees were addressed via an email group, or by telephone, over the ensuing days. The Insolvency Service was informed of the position by the completion of an HR1 form together.
- 6.6 The following matters were also addressed in the first few days:
- a. PDS, in conjunction with a firm specialising in valuing intangible assets, Hilco Streambank ("Hilco"), were instructed to undertake a valuation of the business and assets with a view to commencing a marketing campaign.
 - b. Barclays Bank plc ("Barclays") and HSBC Bank plc ("HSBC"), the Company's bankers, were informed that the Company had gone into Administration, and that the accounts should be frozen for all debits.
 - c. Access to the premises was restricted to the Joint Administrators, their agents and certain key personnel. The employees were advised that they could attend the premises on 20 December 2018 in order to collect any remaining personal belongings and return any assets owned by the Company, such as laptops and mobile phones. Alternatively, they were provided with the contact details of PDS in order to arrange return. I also stressed that no employees should speak to the press or other media outlet without my prior consent so as not to adversely affect the outcome of the Administration.

6. ACTION TAKEN BY ADMINISTRATORS...CONT.

- d. The Landlord was notified of the position and requested to provide certain information pertaining to outstanding rent and the level of rent deposit remaining. Agents previously acting for the Company in respect of marketing the premises, were instructed to continue to act for the Joint Administrators. It was acknowledged that the securing of a new tenant could assist in maximising the recovery of the rent deposit.
- e. A note was placed on Blippar's website detailing that the Company had entered into Administration.
- f. An email was sent to all corporate customers by certain members of staff prior to their departure explaining that the Company had entered into Administration and that any campaigns, tools and apps may not work due to the host servers being shut down. This led to a number of further enquiries being directed to the Joint Administrators.

Given the volume of emails, a global note was sent to the relevant customer explaining the following:

- There were insufficient funds within the business to continue trading. Accordingly, the Company had ceased to trade and all UK employees had been made redundant;
 - there were insufficient funds to satisfy ongoing or historic hosting charges and, therefore, it was uncertain as to when or whether the servers will be shut down. However, we were in contact with the service provider and every effort was being made to ensure that the service could be continued. In the scenario that the servers were shut down, campaigns, tools and apps would be suspended and not function;
 - The Joint Administrators were in the process of putting measures in place to obtain a back-up of the underlying core data;
 - There was no financial compensation for loss of service. However, any clients would be able to submit a claim in the Administration proceedings, which would rank alongside other unsecured creditors, should they wish to; and
 - The Joint Administrators would be seeking to value and market the business in the ensuing days, so service could be resurrected in future through a potential purchaser.
- g. As explained above, a process was put in place for a back-up of the underlying core data to be downloaded to a hard drive and sent to the Administrators.
 - h. A call was held with the President and CEO of Stratalux Inc ("Stratalux") on 20 December 2018, which provided Amazon hosting reseller services, in order to explain the process to them. Stratalux was the largest unsecured creditor and was continuing to incur significant costs in keeping the servers live. I explained that there were insufficient funds within the Administration Estate to pay any ongoing costs but any cessation of service would render client campaigns inactive. I also suggested that by keeping the servers running, those live campaigns could continue generating a level of goodwill that could ultimately assist in my attempts to sell the business and assets.

6. ACTION TAKEN BY ADMINISTRATORS...CONT.

Stratalux indicated that they would keep the servers running for the time being, albeit I re-iterated that I was not in a position to pay for this service.

- i. Numerous enquiries were received from press agencies Worldwide and I released an initial statement detailing the following:

Paul Cooper and I had been appointed as Joint Administrators of Blippar.com Limited on 17 December 2018. We were managing the affairs, business and property of the Company. The appointment of Administrators had arisen effectively as a result of an alleged dispute over continued funding. Following their appointment, we were now exploring all possible options for the future of the business for the benefit of all Stakeholders.

- j. Insurers were instructed to put in place open cover from the date of appointment and liaise with the Company's insurers regarding the policies in place.
- k. The Company's physical books and records were located and access was provided to Xero accounting systems.
- l. The Company credit cards were retained.
- m. The strategy regarding the Company's subsidiaries was considered and initial steps were taken to assess the best way forward in respect of each in the relevant jurisdiction.

7. CONDUCT OF THE ADMINISTRATION

- 7.1 As required by Schedule B1 to the Insolvency Act 1986, we have filed notice of our appointment with the Registrar of Companies, served formal notice on the Company and advertised our appointment in the London Gazette.
- 7.2 We were required as soon as reasonably practicable after our appointment to write to all creditors of the Company, notifying them of our appointment. We obtained details of the Company's creditors from the Senior Management and on 19 December 2018, we sent formal notice to all known creditors notifying them of our appointment as Administrators.
- 7.3 In addition to the work of detailed in Section 6, together with developing the strategy for the Administration, including liaising with the Directors, evaluating the business and progressing the sale of the business and assets as explained above and later in this Report, the Joint Administrators and their staff have undertaken the following tasks:-
 - a) Opening a designated bank account and dealing with the movement of funds.
 - b) Applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005.
 - c) Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette.

7. CONDUCT OF THE ADMINISTRATION...CONT.

- d) Completing various searches at Companies House to obtain statutory information on the Company.
- e) Submitting a VAT 769 notifying HMRC that the Company is now in Administration.
- f) Acknowledging creditors' claims, answering telephone enquiries and correspondence therewith.
- g) Obtaining a case reference and submitting the relevant forms to the Redundancy Payments Office ("RPO").
- h) Extensive liaison with the employees regarding their claims and queries arising from the payments being made by the RPO.
- i) Instructing the payroll Company to formulate and issue P45s to the former employees.
- j) Requesting a Statement of Affairs to be submitted by the Directors of the Company.
- k) Arranging for the collection of the Company's books and records from the former trading premises.
- l) Dealing with pension matters.
- m) Statutory and Administrative duties, including case reviews.

8. ESTIMATED STATEMENT OF AFFAIRS

- 8.1 The Directors were requested to prepare an Estimated Statement of Affairs ("ESOA") pursuant to Paragraph 47 of the Schedule. However, given that the Directors were not in possession of the Company's records, this was produced by my Firm with the support of the former CFO of the Group. This was then sent to the Directors for their review and the ESOA was subsequently signed by the CEO, Mr Mitra. This is included at Appendix 3.
- 8.2 The Creditors' sums are based on the last known position from the Company's records rather than the claims issued by creditors, which will be reviewed in due course. The amounts disclosed should not be taken as exact or binding upon the Creditors. Creditors, if they have not already done so, are requested to submit a formal proof of debt in order that the final position may be ascertained, although it is not necessarily the responsibility of the Joint Administrators to formally agree claims.

9. RECEIPTS AND PAYMENTS ACCOUNT

- 9.1 A copy of the Joint Administrators' Receipts and Payments account for the period from 17 December 2018 to 30 January 2019 is attached at Appendix 3. I would comment on the account with reference to the assets detailed on the ESOA even if certain assets have not been realised as yet. I will also make reference to accrued payments.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

9.2 Receipts & Assets

9.2.1 Sale of Intellectual Property

As detailed earlier in the report, I instructed PDS in conjunction with Hilco to undertake a marketing campaign on behalf of the Joint Administrators. Given the extensive press coverage, the Joint Administrators were inundated with parties expressing an interest.

Accordingly, an email was sent to all parties expressing an interest and relevant contacts within Hilco's database setting out the Intellectual Property Opportunity. This was also posted on the Hilco website. The email included some background of the business, key financials and available assets. These are detailed below:

- **Blippar Brand**
- **Layar Brand**
- **Trademarks** – The Company's comprehensive trade mark portfolio protected the Blippar and Layar brands, logos and key tech products including BlippBuilder.
- **Domain names** – including blippar.com and layar.com domains
- **Website content** – copyright in the content of the Company's corporate websites hosted at blippar.com and layar.com used to promote the Blippar and Layar brands.
- **Patent portfolio** – The Company had a portfolio of granted and pending patents related to its computer vision and AR technologies. The patent portfolio references various technology subjects within the scope of AR, namely tracking, UI, display and environmental requirements.
- **Technology, Software and Associated Organisational Knowledge** – it is understood that elements of the Company's sophisticated AR technology have been evaluated as industry-leading by Cambridge University. The core technology was developed in-house by a highly skilled team on technology software developers including:
 - **AR Platform**
 - Blippar App (iOS and Android)
 - AR Creation Tools – BlippBuilder and BlippBuilder Script
 - Blippar Hub Publishing Platform
 - Blippar Halos Face Profiles
 - Blippar AR Digital Placements – Blippar developed technology which allowed web users to view AR without the need for a separate App to be installed on their device
 - Blippar Developer Portal
 - Standalone Layar platform – Layar App, Layar Creator, Layar SDK and Layar Geo Layar API
 - **Computer-Vision related**
 - Visual Search System – a comprehensive visual search system that took the unique approach of blending computer vision, deep learning and knowledge graphs
 - Computer Vision APIs – to provide recognition capability across a number of verticals, including cars, face, fashion, logo, flowers, landmarks, arts, movies and currency.
 - Knowledge Graph – understood to be the only published relevance-based knowledge graph in the World which was suitable to AR and visual search. Featuring machine learning based categorization and incorporating vast content coverage
- **Social Media Assets** – Instagram, Facebook, YouTube and Twitter.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

A Non-Disclosure Agreement (“NDA”) was produced and sent out to parties, which had expressed an interest. On return of an NDA, access was granted to a data room providing high-level information as part of the sale process. This was produced with significant assistance from information provided to the Joint Administrators and the CFO, CEO and CTO of the Group.

It should be noted that between 40-50 parties contacted Hilco and PDS to express an interest, which included a number of high profile names in the industry. Negotiations with several of those parties advanced over the subsequent period and additional key information was provided to those entities via the secured data room, as required. In addition, expert assistance was sought from the former CEO and CTO regarding technical aspects of the assets. Conscious of any dissipation of value as time was elapsing, a timeframe for the submission of bids was set to 11 January 2019 at 4pm (UK time). Potential purchasers were also informed that there was an additional buyer's premium equating to 20% of the purchase price to pay.

Shortly prior to the deadline, a number of bids were received of varying sums and for different assets. Having reviewed each offer in detail, Hilco and PDS recommended an offer from Candy Ventures SARL (“Candy”) should be accepted. The key terms of the offer were as follows:

- £450,000 payable in cash on completion.
- All Intellectual Property (“IP”) rights as detailed above.
- 3 GPU Servers and 1 Magic Leap Virtual Reality Headset.
- Acceptance to paying the Buyer's Premium.

In addition, the following matters were prevalent:

- There was the potential for a number of jobs to be created going forward with certain staff that had previously been made redundant.
- The valuation received from Hilco/PDS supported the acceptance of this offer.
- The business and assets had been widely marketed and all interest had been explored. Information had been provided to interested parties and there were no prospective purchasers, which had been unable to bid within the timeline for best and final offers. No interest was continually being expressed by any party other than the ones that had submitted bids.
- The business had effectively ceased to trade on 17 December 2018 at which time the employees had been made redundant. The value attaching to the software, Intellectual Property was, therefore, diminishing at a rapid rate as key staff were recruited into new employment, and interest began to wane. In addition, the issue regarding the servers and the underlying client campaigns was prevalent, albeit it was uncertain as to the purchaser's intentions in that regard going forward. An urgent sale was therefore sought to protect and maximise the realisable value.

Accordingly, given the circumstances described above, all bidding parties were informed of the decision.

Immediately following acceptance of the offer, I instructed my Solicitors, Stephenson Harwood (“SH”) to formulate a Sale Agreement on my behalf and liaise with the proposed Purchasers' Solicitors.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

During the drafting process, the proposed Purchaser was made aware of certain disputes over ownership of elements of the Technology and also some issues regarding patent applications. They were also informed of the position regarding the ongoing hosting charges and underlying client campaigns. The Joint Administrators were continuing to receive queries in that regard. These were all matters that they would need to address following completion.

In addition, the position regarding the Layar assets became complicated as it was not clear whether the underlying Intellectual Property was held in the Company or in Layar itself. It was previously understood that all IP was in the Company. Accordingly, the financial position of Layar had to be reviewed by the Purchaser and it was initially suggested that the shares would be sold in that entity to cover all bases. However, having sought legal advice from a Dutch Lawyer, it was decided that Candy would purchase any relevant IP from Layar direct. It should be noted that Blippar.com Limited – in Administration was the sole Director and Shareholder of that entity. Accordingly, two separate deals were structured. The first agreement, which completed on 21 January 2019, was as follows:

	£
Intellectual Property	425,000
Office & Computer Equipment	10,000
Total	<u>435,000</u>

It should be noted that the tax department at SH advised that no VAT would be chargeable on the IP part of the purchase price, which was received in full on completion, together with the Buyer's Premium of £90,000. An IP Assignment Deed was also formulated and completed on the same date. It should be noted that Nicholas Candy and Steven Smith, Directors of Candy were also Directors of the Company. They have been made aware of Sections 216 and 217 of the Insolvency Act 1986 regarding re-use of Company names.

The sale of the assets of Layar was also completed on 21 January 2019 for a consideration of £15,000. This was supported by the valuation methodology of Hilco. The funds were transferred to the Administration Estate to be held on trust for Layar. These funds are due to be transferred across to Layar in due course.

9.2.2 Investments and Inter-Company balances

As detailed at the start of the report, the Company had investments in the following entities. In addition, some of the subsidiaries owed substantial sums to the Company, which had been loaned to them over time. These sums are detailed below:

Name	Country	%	Debt/£
Blippar LLC	USA	100	25,906,813
Blippar.com India Private Limited	India	99.9	21,510
Blippar Singapore PTE Limited	Singapore	100	225,390
Wave Optics Inc	USA	2.24	Nil
Layar BV	Netherlands	100	(146,693)
Blippar Turkey Bilism AS	Turkey	100	3,758
Blippar KK	Japan	100	7,892
Mobile R&D Inc	USA	100	Nil

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

It was understood that all of the wholly owned subsidiaries had ceased to trade and some were going through formal insolvency procedures in the relevant jurisdictions.

The current position regarding each is detailed below.

Blippar LLC

On review of the financial position following our appointment, in conjunction with the former CFO of the Group, it was apparent that the entity was insolvent on a balance sheet and cash-flow basis. In that regard, I put the Director and Office Manager in the US in touch with a US Attorney specialising in insolvency. Following the filing of the relevant documentation in the Southern District of New York, Blippar LLC entered into Chapter 7 proceedings and Gregory Messer was appointed as Trustee.

Given that there are assets remaining in Blippar LLC, a claim has been submitted in the proceedings, as a dividend may be effected in future. The Joint Administrators have also assisted the Trustee with any queries arising regarding the UK operations.

Blippar.com India Private Limited

It is understood that insolvency proceedings have been issued in that jurisdiction but I have had no involvement in that process during the Administration process.

Blippar Singapore PTE Limited

Following appointment, I entered into extensive correspondence with the resident Director in that jurisdiction. It was apparent that there might be sufficient assets to satisfy creditors in full and the entity could be wound-down in an orderly manner. The position is currently being reviewed.

Layar BV

As detailed above, the Intellectual Property of Layar BV was sold at market value to Candy. As Blippar.com Limited is the Director and Shareholder, I am currently reviewing the financial position and will look to enter into correspondence with a Lawyer specialising in insolvency with a view to winding-down that entity.

It is understood that the operations in the other subsidiaries or investments were closed down prior to the Administration.

9.2.3 Leasehold Property and Rent Deposit

The Company rented premises at 5th Floor of West Building, No 1 London Bridge, London SE1 from St Martins Property Investments Limited. The Lease commenced in January 2015 for a period of 10 years at an annual rental of £395,450 plus VAT. At the date of Administration, the Landlord held a rent deposit in the sum of £474,540 and the rent had been paid up until 25 December 2018.

On appointment, I wrote to the Landlord to advise that the Company had entered into Administration and request certain information. I was subsequently informed that the Landlord still retained the whole deposit but that rent for the quarter ended 23 March 2019 was due in advance, plus utilities and service charge. This totalled £162,538.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

At the same time, I was approached by property Agents, Monmouth Dean ("MD"), which had been marketing the property prior to my appointment. Given that MD was already involved, I believed it would be prudent to continue utilising their services with a view to locating a new tenant. It was clear that this was a desirable location and if someone could be found within a relatively short timeframe, this would assist in recovering the maximum amount of the rent deposit. There could also be a premium payable for the remaining term of the Lease.

MD has shown a number of parties around the premises and at least two parties have entered into negotiations with the Landlord regarding either the terms of a new Lease or an assignment of the existing one. However, nothing has been finalised at the current time.

9.2.4 Office and Computer Equipment

The Company's office furniture and computer equipment were valued by PDS shortly following appointment. All laptops and phones in the possession of employees have been requested to be returned to the Administrators or PDS. Alternatively, they have been requested to make an offer to purchase these items.

The remaining computer hardware and business machinery (apart from those included in the sale to Candy) has been put in auction with a close date of 7 February 2019. PDS intend to sell the office furniture by private treaty.

9.2.5 Book Debts

The Company's balance sheet at the date of Administration detailed that the Sales Ledger had a book value of £169,423 at that date, with a provision of 25% made on the estimated to realise value due to the Administration proceedings.

I made the decision to not attempt collection of the debtors whilst the sale process was ongoing so as not to damage the goodwill of the business. However, a number of the debtors did pay monies into the Company's former bank account. These funds have been included in the amount collected in the Cash at Bank below but will be re-allocated once Barclays has provided me with copy bank statements to enable us to establish which debtors have paid.

I anticipate that collection of the remaining balance of the ledger will commence shortly once the above is clarified.

9.2.6 HMRC – VAT Refund

The Company's records indicated that there was a VAT refund in the sum of £107,650. However, this is likely to be offset against the Company's PAYE liability and other tax, so any recovery will be unlikely.

9.2.7 Cash at Bank

At the date of our appointment, it was understood that the amount of £51,525 was held in the Company's bank account with Barclays Bank plc ("Barclays"). On appointment, I entered into correspondence with Barclays, which subsequently transferred the sum of £128,421 to the Estate. As detailed above, some of these funds will be re-allocated to book debts.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

9.2.8 Cash Held on Appointment

The sum of £3,600 was held on appointment specifically for the purposes of satisfying the fees of SH in dealing with the appointment of the Joint Administrators.

9.2.9 Bank Interest (Gross)

The funds in hand are held in an interest bearing account with a High Street bank in the names of the Office Holders as Administrators of the Company.

No interest has yet been earned.

9.3 Payments – Incurred and paid

9.3.1 Legal Fees

The sum of £3,000 plus disbursements of £72 and VAT was paid to SH for the assistance in dealing with the appointment of the Joint Administrators as detailed at 9.2.9 above.

9.3.2 Professional Fees

The sum of £170 was paid to Data Plan for the work undertaken in completing P45s for the former employees, posting to them and filing with HMRC. Data Plan was chosen as they were the payroll company, which previously had been dealing with the Company's affairs. The sum of £380 remains outstanding.

9.4 Payments – Incurred but unpaid

9.4.1 Legal Fees

SH have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues. SH charge their fees on a time costs basis and they have provided me with an analysis of the time they have spent to date, which totals £37,719.50 plus VAT and disbursements of £43.96. The work that they have been required to undertake has included, *inter alia*, the following:

- Formulation and subsequent amendments of the Sale Agreements; and
- Liaising with Dutch Counsel in relation to the above.

No fees have yet been paid to SH in respect of these services.

9.4.2 Agents Fees

PDS were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company. The agreed basis of PDS's fees was 10% of realisations plus disbursements and VAT.

Hilco were selected as co-agents on the basis of their experience with dealing with intellectual property valuations and high-profile marketing campaigns. The agreed basis of Hilco's fees was a valuation of £10,000 plus VAT plus a premium of 20% payable by the Buyer.

9. RECEIPTS AND PAYMENTS ACCOUNT...CONT.

The Buyer's Premium and valuation fee are due to be paid to Hilco, together with disbursements of £289.82.

Monmouth Dean were selected as Property Agents based on their experience in the market and the fact that they had already been instructed by the Company to undertake this exercise. The agreed basis of their fees was a fixed fee of £25,000 plus VAT, but only payable from the securing of a new tenant and recovery of the rent deposit.

9.4.3 Professional Fees

Given the level of work undertaken by the former CFO of the Group during the Administration process, I have agreed to pay him a fee for doing so, albeit the level of the fee has yet to be agreed.

9.4.4 Insurance of Assets

On appointment, I instructed Aon to obtain open cover insurance in respect of the physical assets of the Company to be in place until sale. I have not been provided with the current costs incurred in respect of the same.

9.4.5 Carriage and Archiving

Our firm uses a commercial archiving company for storage facilities for the company's records and papers. This is recharged at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of archiving and retrieval of documents. The amount incurred to date totals £448.

9.4.6 Statutory Advertising

This represents the costs for the publishing of statutory advertising in newspapers and the London Gazette in respect of the Joint Administrators' appointment. The amount incurred totals £94.

9.4.7 Specific Bond

The Specific Bond is the cost of insurance in respect of realisations by the Joint Administrators as required by the Insolvency Practitioners Regulations 2005. The amount incurred totals £317.

9.4.8 Other costs

Other costs such as utilities and cleaning costs are likely to be recharged by the Landlord.

9.4.9 Corporation Tax

Corporation tax may be due on bank interest and chargeable gains made on any asset sales. This liability will need to be assessed in due course.

10. CREDITORS, PRESCRIBED PART AND DIVIDEND PROSPECTS

10.1 Secured Creditors

There are no Secured Creditors in respect of this case.

10.2 Preferential Creditors

There will be preferential claims for those employees, who are owed unpaid wages and holiday pay. Under the provisions of Schedule 6 of the Act, any amounts outstanding to employees in respect of unpaid wages (up to a maximum of £800) and outstanding annual leave entitlements are afforded priority over the claims of floating charge creditors and ordinary unsecured creditors.

It is likely that a significant element of the preferential claim will be claims, which are subrogated to the Secretary of State, following payment to the employees by the Redundancy Payments Office.

Although the Joint Administrators are yet to receive notification of the preferential creditors' claims, on current information, it is expected that the preferential claims in respect of arrears of pay and holiday pay, including the claim that will be made by the RPO, will amount to approximately £100,122 in respect of 44 employees.

Based on current information, it is envisaged that there will be sufficient funds available to enable a distribution to be paid to preferential creditors in full settlement of their claims.

10.3 Prescribed Part

The Prescribed part does not apply as there are no Secured Creditors.

10.4 Non-Preferential Unsecured Creditors

In addition to the Company's liabilities to the Preferential Creditors, there are also trade and expense creditors, and Crown liabilities as set out in the attached list of creditors at Appendix 2. As detailed in Section 8.2, these sums are based on the records of the Company rather than claims issued by creditors, which will be reviewed in due course.

The ex-employees unsecured claim in respect of arrears of wages, lieu of notice, and statutory redundancies and enhanced redundancy is estimated to be around £414,352.

10.5 Dividend Prospects

Preferential creditors are expected to be paid a substantial sum, if not payment in full. It is too early at this stage to provide a meaningful estimate of the likely level of distributions to the unsecured non-preferential creditors. However, given the level of the consideration payable for the Intellectual Property, the cash, debtors and the potential return of the rent deposit, a dividend is likely to be paid to unsecured creditors in due course.

11. INVESTIGATION BY THE JOINT ADMINISTRATORS

The Joint Administrators will investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985 and 2006 or the Act. The Joint Administrators are required, within three months of their appointment, to submit a return to the Department for Business, Energy & Industrial Strategy on the conduct of all persons, who have acted as either Directors or Shadow Directors of the Company during the period of three years ending on the date of the Joint Administrators' appointment. To facilitate the preparation of that return and our enquiries into the Company's affairs, the Joint Administrators have already invited creditors to provide them with information on any matters of concern to the creditors.

12. CREDITORS' DECISION

Under Paragraph 51(1) of Schedule B1 to the Act, the Administrators are required to seek a decision of creditors on the approval of the Administrators' proposals. Accordingly, I have enclosed with my letter to creditors Notice of a Decision Procedure by Correspondence and a voting form.

13. ENDING OF ADMINISTRATION

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

- Compulsory Winding Up
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Director
- Dissolution of Company (i.e. striking off the Companies House register)

The Joint Administrators recommend that the Company should move from Administration to Creditors' Voluntary Liquidation in accordance with the provisions of Paragraph 83 of the Act so that the Liquidators may adjudicate creditors' claims and pay a dividend to the Unsecured Creditors.

14. JOINT ADMINISTRATORS' REMUNERATION

- 14.1 As Administrators, under the provisions of R18.16 of the Rules, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration is to be fixed.
- 14.2 In addition to this, where Administrators seek to pass a resolution to agree the basis of their remuneration by reference to the time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

14. JOINT ADMINISTRATORS' REMUNERATION...CONT.

- 14.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. Our fees estimate and details of the work we propose to undertake can be found in Appendix 4 to this report. Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration
- 14.4 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 14.5 We have now reviewed our time costs both for the period prior to our appointment and for the period in Administration from 17 December 2018 to 29 January 2019. A detailed report of our time costs is attached at Appendix 5.

15. PRE-APPOINTMENT COSTS

As stated in Appendices 4 and 5, unpaid pre-appointment costs are not part of the above proposals subject to approval under Paragraph 53. However, in accordance with Rule 3.52 of the Rules, the Joint Administrators will also seek approval for any unpaid pre-Administration costs detailed in this report, and in Appendices 4 and 5, from creditors.

16. EC REGULATION ON INSOLVENCY PROCEEDINGS

It is considered that the EC regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation as the Company was incorporated in England and the centre of main interest of the Company is in England and Wales within the United Kingdom.

17. JOINT ADMINISTRATORS' FORMAL PROPOSALS

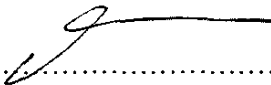
The Joint Administrators hereby make the following proposals, in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, for the achievement of the purpose of the Administration and creditors are asked to consider and cast their votes thereon or put forward any modifications they wish using the voting form sent to them by post:-

- i) The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the Administration ceases to have effect.
- ii) As funds are likely to become available for unsecured creditors, the Joint Administrators may, at their discretion, establish in principle the claims of unsecured creditors for subsequent adjudication by a subsequent liquidator, and that the costs of so doing be met as a cost of the Administration as part of the Joint Administrators' remuneration.
- iii) A creditors' committee may be formed if a creditors' meeting resolves to do so provided that three or more creditors are willing to serve on it. If the Administration moves to Creditors' Voluntary Liquidation, any creditors' committee, which is in existence immediately before the Company ceases to be in Administration, shall continue in existence after that time as if appointed as a liquidation committee under Section 101. If a committee is formed, the Administrators and the Joint Liquidators (when appointed),

17. JOINT ADMINISTRATORS' FORMAL PROPOSALS...CONT.

will consult with it from time to time on the conduct of the Administration and Liquidation proceedings. Where it is considered appropriate, the committee's sanction will be sought to proposed action instead of convening a meeting of all the creditors.

- iv) Should a creditors' committee be formed, and the Joint Administrators consider that an extension beyond an Administration's statutory duration of one year would be advantageous, the Joint Administrators will consult with the committee prior to taking the necessary steps. If a creditors' committee is not appointed, the Joint Administrators shall either apply to the court or seek a Decision of the appropriate classes of creditors for the consent to an extension.
- v) That the basis of the Joint Administrators' fees will be fixed and their Category 2 disbursements will be agreed by the creditors' committee. If no creditors committee is formed, it is proposed that under Rule 18.16 (2)(b) of the Rules, the remuneration of the Joint Administrators shall be fixed by reference to the time given by the Joint Administrators, and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the Administration and that the Joint Administrators be authorised to draw category 2 disbursements in accordance with their firm's published tariff, and they be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.
- vi) That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Act, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the Administration.
- vii) The Joint Administrators take whatever other actions they deem appropriate in the interest of creditors. This includes placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances, it is proposed that the Joint Administrators shall become the Joint Liquidators and any act required or authorised under any enactment to be done by the Joint Liquidators may be done by either or both persons from time to time holding office. Creditors are advised that, pursuant to Paragraph 83(7)(a) and Rule 3.60(6), they may appoint different persons as the proposed Joint Liquidators, provided the nomination is made after the receipt of these proposals and before these proposals are approved.
- viii) That the Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.


.....

PAUL APPLETON – JOINT ADMINISTRATOR

DATE: 30 JANUARY 2019

APPENDIX 1

STATUTORY INFORMATION

Date of incorporation: 22 November 2010

Registered number: 07446749

Registered Office: 1st Floor
26-28 Bedford Row
London
WC1R 4HE

Trading Address: 5th Floor West Building
No 1 London Bridge
London SE1 9BG

Trading Name: Blippar

**Authorised , Called and Paid
Share Capital at 31 Mar 17:** 961,356 Ordinary Shares of £0.0001
9,731,360 Ordinary 'A1' Shares of £0.000099
9,731,360 Ordinary 'A2' Shares of £0.000001
3,265,490 Preferred Ordinary Shares of £0.0001
5,015,420 Preferred Ordinary 'B' Shares of £0.0001
2,563,440 Preferred Ordinary 'C' Shares of £0.0001
4,083,869 Preferred Ordinary 'D' Shares of £0.0001

It should be noted that there have been further issuances of shares since 31 March 2017. However, the records do not provide sufficient clarity in order to provide a breakdown here.

Shareholders: 9Dreams Limited
ASDF Limited
Atlas Trust Company Limited as Trustee of Codex Trust
Candy Ventures SARL
Codex Capital Nominees Limited
David Currie
Nadia & Rifat Eskenazi
Goodshaw Capital Management Ltd
Andrew Graham
Lansdowne Developed Markets Master Fund Ltd
Lansdowne Developed Markets Strategic Investment M
Ambarish Mitra
Qualcomm Incorporated
Tanjung Tuan Investments Limited
Omar Tayeb
Torch Partners Corporate Finance
Employee Options

Directors: Ambarish Mitra, Omar Tayeb, Jason Ball, Nick Candy, Steven Smith and David Currie

Secretary: N/a

Para 47(2)(a)
Sch B1 (A1986
R. 3.30(2016)

Formerly Form 2.14B

Statement of affairs

Name of Company BLIPPAR.COM LTD	Company Number 07446749
In the HIGH COURT OF JUSTICE CHANCERY DIVISION COMPANIES COURT <small>[full name of court]</small>	Court case number 010836 of 2018

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

Statement as to the affairs of ^(a) BLIPPAR.COM LTD - IN ADMINISTRATION of 26-28,
Bedford Row, London. WC1R 4HE


^(b) Insert date

on the ^(b) 17 December 2018, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at ^(b) 17 December 2018, the date that
the company entered administration.

Full name : AMBARISH MITRA

Signed  _____

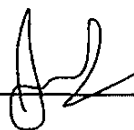
Dated 10/1/19

Blippar.com Ltd
Statement Of Affairs as at 17 December 2018

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Investments	137,457.00	NIL
Goodwill & Intangibles	7,464,355.00	Uncertain
Leasehold Improvements	141,999.00	Uncertain
Office & Computer Equipment	63,672.00	15,700.00
Book Debts	169,423.00	127,067.00
HMRC - VAT Refund	107,650.00	Uncertain
Cash at Bank	51,525.00	51,525.00
Rent Deposit	474,540.00	Uncertain
Blippar LLC	25,906,813.00	Uncertain
Blippar.com India Private Limited	21,510.00	NIL
Blippar Singapore PTE Limited	225,390.00	NIL
Blippar Japan	7,892.00	NIL
Blippar Turkey	3,758.00	NIL
Estimated total assets available for preferential creditors		194,292.00

Signature



Date

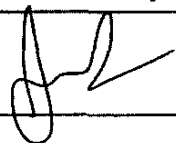
10/1/19

Blippar.com Ltd
Statement Of Affairs as at 17 December 2018

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	194,292.00
Liabilities	
Preferential Creditors:-	
Insolvency Service Arrears & Holiday Pay	42,950.09
Employee Arrears/Hol Pay	57,171.59
	100,121.68
Estimated deficiency/surplus as regards preferential creditors	94,170.32
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL
	94,170.32
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	94,170.32
Debts secured by floating charges post 14 September 2003	
	NIL
Estimated deficiency/surplus of assets after floating charges	94,170.32
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	94,170.32
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	1,662,183.00
Employees	280,436.85
Insolvency Service	133,914.97
H.M. Revenue & Customs (P.A.Y.E.)	94,803.00
Layar BV	146,693.00
	2,318,030.82
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(2,223,860.50)
Estimated deficiency/surplus as regards creditors	(2,223,860.50)
Issued and called up capital	
Ordinary Shareholders	165,938.00
Share Premium	96,454,908.00
Share Option Reserve	3,499,734.00
	100,120,580.00
Estimated total deficiency/surplus as regards members	(102,344,440.50)

Signature



Date

10/11/19

Blipper.com Ltd
B - Company Creditors

Key	Name	Address	£
CA00	Antonia Tassan Ltd	32 Rotherington Vale, London, SW15 3PY, United Kingdom	7,600.00
CA01	Acrotive Strategies Consulting Group LLC	7155 Redwood Rd, Suite 22, Gilroy, CA 95020	3,323.00
CA02	Atcom Consulting Ltd	Adgate Tower, 2 Larnet Street, London, E1 8FA	5,040.00
CA03	Agash Khanna	53 Blenheim Road, 1st Floor, London, W8 2PD	322.00
CB00	BDO Turkey	BDO Serbest Muhasebat Mali Müşavirlik Anonim Şirketi ESKİŞEHİR CADDESİ Bina Adı:PAZARLAZ Bina No: 14, İl Kapı No: 434388, NESTPASA MAHALLESİ Sarıyer, İstanbul	424.00
CB01	Brand Fan Girl Ltd	(TA, Zypern), Suite C, 133 Engelfield, road W1 3LM London	9,099.00
CB02	Broadgate Estates - Savills	Savills (UK) Ltd, 15 Finsbury Circus, London, EC2M 7EB	103,693.00
CC00	Canada Life Group Insurance	3 Rivergate, Temple Quay, Bristol, BS1 6ER	530.00
CC01	Candy Ventures	2 Millways, L-7257 Wafendesign, Luxembourg, 362 267 378 525	3,590.00
CC02	Caterwings Limited	Womack, 115 Mare Street, E8 4RU, London	205.00
CC03	Citi Bank N.A.	111 Wall Street, New York, New York 10005	39,559.00
CC04	Corruptus IT Resourcing Limited	Victoria House, Victoria Road, Woking, Surrey, GU22 7PL, United Kingdom	8,500.00
CC05	Credence Business Solutions Limited	Byrne House, Castlegilly Business Park, Van Road, Carrigilly, Mid Glam, CF83 3GG	240.00
CD00	Dailyfruit.co.uk	Daily Fruit Ltd, 67 Rye Hill Road, Kingston upon Thames, Surrey, KT1 3SL	353.00
CD01	Dataplan Payroll Limited	1 Prince Albert Gardens, Grimsby, DN11 3AG	259.00
CD02	Deliveroo - Rooffoods Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cowen Lane, London, EC4R 3TE, United Kingdom	115.00
CF00	Fenwick & West LLP	Silicon Valley Center, 801 California Street, Mountain View, CA 94041	3,919.00
CF01	Founders Forum For Good Ltd	Block A Unit 408A, The Biscuit Factory, 100 Clements Road, London, SE 16 4DG	1,000.00
CF02	Founders Forum LLP	Founders Forum LLP, Northcote House, Young Street, Kensington, London, W8 5EH	8,400.00
CF03	Fragomen LLP	1st Floor, 95 Gresham Street, EC2V 7NA, London	9,800.00
CF04	Fried, Frank, Harris, Shriver & Jacobson (London)	41 Lombury, London, EC2R 7HF	10,740.00
CG00	G3 Comms Ltd	Pentagon House, 52-54 Southwark Street, London, SE1 1UN	457.00
CG01	Graft Search Ltd	Level 4, Adgate Tower, 2 Larnet Street, London, E1 8FA	5,955.00
CH00	Harrington Starr Limited	Stockwood Suite A, Britannia House, Leamings Road, Luton, LU3 4BQ, United Kingdom	5,040.00
CH01	HM Revenue & Customs (PAYE)	10-HU, Barton Park View, Newcastle-Upon-Tyne, NE4 1ZZ	94,803.00
CI00	Ingeniously ABM Limited	2nd Floor, 1 Maple Place, London W1T 4BB	10,745.00
CI01	Intercity Technology Ltd	101-114 Holloway Road, Birmingham, B1 1QP	110.00
CI02	Kestley - HR Ltd	Archdeaconry House, Gravel Walk, Minister Precincts, Peterborough, PE1 1YU	8,616.00
CI03	Kelternely Carrard	Via Lung Carovica 5, Casella Postale 6280, CH-6801 LUGANO	1,562.00

Signature

Blipper.com Ltd
B - Company Creditors


Key	Name	Address	£
CL00	Linnendowns R&D Services Limited	Brunel House 260 Fincroft Court, Centre Park, Warrington, WA1 1RG	9,240.00
CL01	Lyster BV	Wateringhoef 108, 1017 SB Amsterdam, Netherlands	149,933.00
CM00	M2 Digital Limited	Brighgate House, Cabre Court, Brighgate Way, Manchester, M32 0TB	2.00
CM01	Mail Boxes Etc	2 London Bridge Walk, London, SE1 2SX	443.00
CM02	Mafia Consulting Ltd	60 Windsor Avenue, London, SW19 2RR, UK	3,600.00
CM03	Microsoft Azure	Microsoft Ireland Operations Ltd, One Microsoft Place, South County Business Park, Leopardstown, Dublin 18, D18 P521, Ireland	5,029.00
CM04	Monster Technologies Ltd	Office 7, 25-37 Ludgate Hill, London, EC4M 7JH, UNITED KINGDOM	52,403.00
CND0	Nabtesco	4 Rue de Nomet, 75116 Paris	3,705.00
CND1	Naharusa & Asahi	Oleaven Tower, 1-1-2 Otsuichi, Chiyoda-ku, Tokyo 100-8124, Japan	71,803.00
CO00	Optimum Group Services plc	Jensen House, 53-61 High Street, Runcorn, Merseyside, M46 7BD	3,230.00
CO01	Oracle America Inc	2355 Campus Drive, Suite 100, San Mateo CA 94403-2511, United States, 650 762 9534	12,658.00
CO02	Ornar Tayeb		965.00
CP00	Percolate Industries Inc	107 Grams Street, 2nd Floor, New York, NY 10013, US	4,684.00
CR00	Redundancy Payments Service	PO Box 10885, Birmingham, B2 2LX	176,855.06
CR00	Salimforce.com EMEA Limited	Floor 24 Salimforce Tower, 110 Bishopsgate, London, EC2M 4AY, UK	7,576.00
CR01	Seven Hills Communications Ltd	First Floor, River House, 33-35 Pount Pleasant, London, SW1W 9WH	23,607.00
CR02	Smart Deal I.T.	Pierre Laibovenstraat 798, Amsterdam 1097 JR, Europe, Netherlands	1,037.00
CR03	Solium Capital UK	Renaissance, Ground Floor North, 9-16 Oringault Road, Croydon, CR0 2NA	5,083.00
CR04	Southwark Council	Southwark Revenue & Benefits Services, PO Box 68763, London, SE1P 4DJ	32,576.00
CR05	Squire Patton Boggs (UK) LLP	7 Desborough Square, London, EC2M 4YH, DX No 136646 Bishopsgate 2	604.00
CR06	Stratakat Inc	135 Shelton St, El Segundo, CA 90245 USA, 855-647-7465	935,852.00
CT00	Tand Design Ltd	Back Building, 148-150, Curran Road, London, EC2A 3AT	2,754.00
CT01	The IQ Group Ltd	3 Shoreditch Street, London, W1H 8FG	9,003.00
CT02	Thomson Reuters UK Limited	Five Canada Square, Canary Wharf, London, E14 5AD	624.00
CT03	True Vision Solutions Pty	Unit 98, 4 Alameda Dr, Campdown, NSW, 2030, AUSTRALIA	75,000.00
CU00	ULSee Inc	C/O Paul Lu, Taipei, Zhongshan District 10462, Taiwan	7,912.00
CU00	Vincent Burt-Chausson	40 Buckler Court, W78EF, London	2,100.00
CU00	Wellnesspace Limited	2 Dryden Street, London, WC2E 9NA	1,512.00
CU01	Wellness Cleaning Services Ltd	Estate House, 2 Pembroke Road, Sevenoats, Kent, TN13 1XR	2,605.00
CU02	World Economic Forum	91-93 route de la Capite, CH-1223 Cologny/Geneva, Switzerland	955.00
CU03	WP Thomson	138 Fetter Lane, London, EC4A 1BT, UK	37,851.00

Signature

Blipper.com Ltd
B - Company Creditors

Key	Name	Address	£
60 Entries Totalling			2,888,544.86

Signature



BLIPPAR.COM LIMITED
IN ADMINISTRATION
RECEIPTS & PAYMENTS ACCOUNT
FOR THE PERIOD FROM 17 DECEMBER 2018 TO 30 JANUARY 2019

	Book Values per mgt accounts to December 2018	Estimated to realise values at 17 Dec 2018 £	Realisations/Payments £	Cumulative/£
<i>Realisations</i>				
Goodwill & Intangibles	7,464,355.00	Uncertain	425,000.00	
Investments	137,457.00	Nil	Nil	
Leasehold Improvements	141,999.00	Uncertain	Nil	
Office & Computer Equipment	63,672.00	15,700.00	10,000.00	
Book Debts	169,423.00	127,067.00	Uncertain	
HMRC VAT Refund	107,650.00	Uncertain	Nil	
Cash at Bank	51,525.00	51,525.00	128,420.89	
Rent Deposit	474,500.00	Uncertain	Nil	
Inter-Company	<u>26,165,363.00</u>	<u>Uncertain</u>	Nil	
Funds held on Trust for Laya BV			15,000.00	
Buyer's Premium on Trust for Hilco			90,000.00	
Cash Held on Appointment			3,600.00	
Bank Interest			<u>Nil</u>	
				672,020.89
<i>Payments</i>				
Legal Fees			3,071.89	
Professional Fees			<u>170.00</u>	3,241.89
<i>Realisations less Payments</i>				<u><u>668,779.00</u></u>
<i>Represented by</i>				
Current Account				670,130.62
VAT Payable				(2,000.00)
VAT Receivable				<u>648.38</u>
				<u><u>668,779.00</u></u>

APPENDIX 4

BLIPPAR.COM LTD - IN ADMINISTRATION

JOINT ADMINISTRATORS' ESTIMATE OF THE COSTS FOR THE ADMINISTRATION

Creditors should be aware all Insolvency Practitioners in the UK have to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee and they are monitored by the Office Holders' Regulatory Body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs and also in the Insolvency Code of Ethics which is detailed at www.icaew.com/membershandbook. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

Proposed Fee Basis

As Joint Administrators, we are seeking to agree the basis of our remuneration in respect of this case on the time properly spent by us and our staff in dealing with the affairs of the Company. We have set out in Appendix 5 and 5A our Firm's time costs in respect of pre-appointment work and also the work carried out from appointment to 29 January 2019. We attach, at Appendix 5A, estimates of the further work, which we consider will be necessary in the conduct of the Administration. These estimates are provided to creditors in accordance with the requirements set out in Rule 18.16(4) of the Rules. However, please note that the Administrators' actual fees will be charged by reference to time properly spent by the Administrators and their staff in managing the Administration. If the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn.

In Appendix 4A, we have set out against each task the further time we estimate to be necessary to complete each particular task properly, analysed by different grades of staff. The estimate is intended to be viewed on a total basis and not on the basis of the individual tasks, which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole. In addition, the estimate, together with the time already spent of £148,558.50, as shown in Appendix 5A, is a ceiling that is initially binding on us as Joint Administrators, but we have the right to refer back to creditors in circumstances where we consider that the time cost fees estimate will be exceeded.

If we consider that the estimate of £193,552.50 plus VAT is likely to be exceeded, and doing so would result in better prospects of recovery for the creditors, we will seek sanction from creditors for a revised estimate and explain why we perceive there to be a benefit to the creditors of approving any increase in fees.

Our Firm's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment, and additional staff may be allocated to meet the demands of the case.

Our firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295

Charge-out rates are normally reviewed annually in November when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Explanations of the Estimates

The majority of the tasks listed in Appendices 4A and 5A are self-explanatory and we do not, therefore, propose to elaborate on these. Creditors, who require further details, should feel free to contact this office. However, creditors may get a better understanding of the work and cost involved if we list out, in broad term, the various tasks, which Administrators are required to complete in order to comply with statutory requirements and Best Practice protocols as set out in Statements of Insolvency Practice (“SIPs”) issued by the Joint Insolvency Committee, as follows:-

Administration (including statutory compliance & reporting)

Under insolvency legislation the Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. These tasks, as applicable, consist of:

- Notifying creditors of the Administrators’ appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House.
- Opening, maintaining and managing the Administration estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm’s insolvency software which include company information, creditors, debtors and employees details.
- Securing the Company’s books and records.
- Complying with statutory duties in respect of the Administrators’ specific penalty bond.
- Trading as appropriate.
- Instructing valuers and agents, and overseeing the sale of the business.
- Redirection of the Company’s mail to the Administrators’ office.
- Pension regulatory reporting, auto-enrolling whilst trading and auto-enrolment cancellation
- Completion and filing of the notice of the Company’s insolvency to HMRC.
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
- Dealing with all post-appointment VAT and corporation tax compliance.
- Liaison with secured creditors, obtaining charge documents and validating the security.
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA), including the review of the Company’s books and records and the identification of potential further asset realisations which may be pursued in the liquidation.
- Filing a statutory return to the Department for Business, Energy & Industrial Strategy under the CDDA.
- Preparing a paragraph 49 Report, and formulating the Joint Administrators’ Proposal.
- Preparing and issuing half yearly progress reports to members and creditors.
- Lodging periodic returns with the Registrar of Companies for the Administration.

- Establishing and holding periodic meetings of the Creditors' Committee and associated filing formalities (if a committee is appointed).
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not a legal requirement, Regulatory Bodies who monitor the work of the Administrator see this task as a best practice requirement with which the Office Holder is required to comply.

Investigations

As Administrators, we are required by the Company Directors Disqualification Act 1986 to review the conduct of the Director(s) of the Company and transactions entered into prior to the Company's insolvency. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful investigation.

SIP2 also requires that we review the Company's financial affairs in order to make an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire.

This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake in order to be satisfied that all assets belonging to the Company have been accounted for. Our initial investigations may reveal that further recoveries could be available for the insolvent estate, and if this proves to be the case, and we consider that further work will be required to pursue these assets, we will refer back to creditors about the likely costs involved in pursuing such recoveries.

Realisation of assets

Matters regarding the realisation of the Company's assets have been set-out in detail throughout the Report.

Creditors (claims and distributions)

The Administrators have been dealing with all preferential and unsecured creditors' correspondence and claims as received, including any claims of creditors under retention of title.

The Company has 44 employees and the Administrators are dealing with queries from the employees and in respect of their unpaid entitlements.

As it appears likely that there may be a dividend payable to unsecured creditors, the Administrators will be receiving and verifying creditors' claims for adjudication by the Liquidators at a later stage. It is not possible at this stage to provide an accurate estimate of cost for this work as this is dependent upon the quality of the records and the extent of any disputed debts if any. From past experience, we have found that the cost of agreeing creditors claims average out at around £100 per creditor on typical cases.

EXPENSES AND DISBURSEMENTS

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be incurred in dealing with the Company's affairs. Further narrative is provided at Section 9.4 of the Report and we will provide an update to creditors in our future progress reports.

Expense	Provider	Basis of fee arrangement	Costs likely to be incurred
Agent's costs in dealing with valuation, marketing and sale of assets	PDS Valuers	10% of realisations made	£43,500
Agent's costs in dealing with valuation, marketing and sale of Intellectual Property	Hilco Streambank	Valuation Fee and 20% of Buyer's Premium Disbursements	£100,000 £289.82
Agent's costs in dealing with valuation, marketing and sale the leasehold property	Monmouth Dean	Fixed Fee	£25,000
Administration Assistance	CFO	To be agreed	Uncertain
Solicitors' costs for dealing with matters pertaining to the case including the sale agreement	Stephenson Harwood	Time Costs Disbursements	£37,719.50 £43.96
Statutory advertising	Courts Advertising	At cost	£94
Joint Administrator's bond	Axa Insurance	At cost	£316.80
Insurance of Assets	AON	At cost	Uncertain

Indirect expenses ("Category 2 disbursements")

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

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

Storage and Archiving Charges

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £60 per hour.

Travel

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

BLIPPAR.COM LTD - IN ADMINISTRATION

JOINT ADMINISTRATORS' ESTIMATE OF TIME COSTS							
FOR THE PERIOD 30 JANUARY 2019 TO CLOSURE							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	02:00	04:30	00:00	06:30	1,950.00	300.00
Statutory filings, circulars, notices, etc.	04:30	09:30	10:00	00:00	24:00	8,845.00	368.54
Case planning, strategy & control	04:30	07:30	04:30	00:00	16:30	6,575.00	398.48
Taxation: PAYE, C/Tax & VAT	05:00	07:30	07:30	00:00	20:00	7,545.00	377.25
Accounting & Cashiering	00:00	01:00	01:30	05:30	08:00	2,460.00	307.50
Case reviews & Diary maintenance	06:00	09:30	19:30	00:00	35:00	12,377.50	353.64
Statutory reporting and compliance	05:00	11:00	14:30	00:00	30:30	10,945.00	358.85
Investigations							
CDDA preparation & reporting	05:00	07:00	05:30	00:00	17:30	6,615.00	378.00
SIP2 assessment and financial review	08:00	25:00	32:00	00:00	65:00	23,050.00	354.62
Realisation of assets							
Freehold & leasehold properties	07:30	10:00	11:30	00:00	29:00	10,755.00	370.86
Intangible assets	04:00	13:00	11:00	00:00	28:00	10,152.50	362.59
Tangible assets	03:30	08:30	09:00	00:00	21:00	7,557.50	359.88
Shares & Investments	15:00	20:00	16:00	00:00	51:00	20,870.00	409.22
Book debts collection	10:00	20:00	52:30	00:00	82:30	26,940.00	326.55
Creditors & distributions							
Unsec'd Creditors: correspondence & claims	10:00	14:00	18:00	00:00	42:00	15,200.00	361.90
Preferential creditors & employees	10:00	25:00	26:00	00:00	61:00	21,715.00	355.98
Total hours and costs	98:00	190:30	243:30	05:30	537:30	193,552.50	360.10

APPENDIX 5

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

PRE-APPOINTMENT COSTS:

Statement under Rule 3.35(10) of the Insolvency Rules 1986

Unpaid pre-appointment costs as an expense of the administration is:-

- (i) Subject to approval under Rule 3.52, and
- (ii) Not part of the proposals subject to approval under paragraph 53(a) of Schedule B1.

Statement of Pre-Appointment Time Costs – Rule 3.36

By a letter of engagement between David Rubin & Partners and the Company, dated 14 December 2018, the Company agreed to pay for our time costs for assistance and advice on a prospective Administration of the Company.

The time costs we incurred between 13 December 2018 and the date of our appointment were £7,173 plus VAT for a total of 22 hours and 12 minutes. This represents an average hourly charge out rate of £323 per hour. Prior to our appointment, we were advanced a sum of £7,500 plus VAT and we have billed this amount on account. An analysis of the time spent is provided at Appendix 5A.

Overview

Our firm, David Rubin & Partners, was first consulted in the first week of November 2018 to undertake an initial review of the business. The matters leading up to the appointment of the Joint Administrators and the advice provided have already been highlighted extensively in Section 4 of the Report. This issues impacting on the level of costs incurred has also been highlighted extensively in the remainder of the Report.

Pre-appointment expenses

SH have also been providing legal advice in the period leading up to the Administration. Their time costs of £3,072 for this work have been paid.

Seeking Approval for Payments

In accordance with Rule 3.52 of the Rules, we shall be seeking the approval of the Creditors Committee, if one is appointed, to our drawing the unpaid balance of the pre-appointment expenses, if appropriate. If no Committee is appointed, we will seek the approval of the creditors at the meeting.

POST-APPOINTMENT

The time costs we have incurred from the date of our appointment to 29 January 2019 amount to £148,558.50 plus VAT for a total of 388 hours and 4 minutes. This represents an average hourly charge out rate of £383 per hour. We have not drawn any fees on account and this entire sum is outstanding. An analysis of the time spent is also provided at Appendix 5A.

Case overview

The tasks undertaken by the Joint Administrators have been highlighted extensively in Sections 6 to 12 of the Report, together with the issues affecting costs.

The strategy employed allowed us to staff this assignment with a maximum of 1 Senior Manager, 1 Manager and 2 Administrators, plus cashiering assistance as required. We consider that for an assignment of this scale and complexity, that strategy has saved considerable time costs that might otherwise have been incurred.

Due to the crucial nature of these negotiations, a high level of Partner and Senior Manager involvement was required with this part of the assignment.

To view an explanatory note concerning Administrators' remuneration approved by the Joint Insolvency Committee, please visit the Publications folder on our website www.drpartners.com/cases, using the following log-on details:

USERNAME: B498@drco.co.uk

PASSWORD: 894Bas*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

Provision of further information

Within 21 days of receipt of this progress report, creditors may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. Further details are set out at paragraph 9.2 and 9.3 of the Creditors' Guide to Administrators' Fees by following the URL link provided above.

BLIPPAR.COM - IN ADMINISTRATION

JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Administration, Strategy and Planning							
IPS set up & maintenance	00:00	00:00	01:30	00:00	01:30	240.00	160.00
Case planning, strategy & control	00:00	14:54	03:48	00:00	18:42	6,273.00	335.45
Accounting & Cashiering	00:00	00:00	00:00	00:12	00:12	30.00	150.00
Total hours and costs	00:00	16:42	05:18	00:12	22:12	7,173.00	323.11

JOINT ADMINISTRATORS' TIME COSTS							
FOR THE PERIOD 17 DECEMBER 2018 TO 29 JANUARY 2019							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
Statutory filings, circulars, notices, etc.	02:00	09:06	45:18	00:00	56:24	10,923.00	193.67
Case planning, strategy & control	03:00	01:00	09:18	00:00	13:18	3,465.00	260.53
Accounting & Cashiering	00:00	00:00	00:00	00:12	00:12	37.00	185.00
Case reviews & Diary maintenance	00:00	01:30	02:18	00:00	03:48	940.50	247.50
Statutory reporting and compliance	05:00	13:24	05:30	00:00	23:54	8,723.00	364.98
Investigations							
CDDA preparation & reporting	00:00	00:00	00:06	00:00	00:06	12.00	120.00
SIP2 assessment and financial review	00:00	05:42	00:00	00:00	05:42	1,995.00	350.00
Antecedant transactions	03:00	00:00	00:00	00:00	03:00	1,650.00	550.00
Realisation of assets							
Freehold & leasehold properties	14:00	05:36	10:36	00:00	30:12	11,560.00	382.78
Intangible assets	28:00	10:30	00:00	00:00	38:30	19,547.50	507.73
Shares & investments	35:00	09:12	01:12	00:00	45:24	23,028.00	507.22
Book debts collection	07:00	02:48	01:48	00:00	11:36	5,054.00	435.69
Tangible assets	14:00	13:42	02:36	00:00	30:18	13,424.00	443.04
Creditors							
Unsec'd Creditors: correspondence & claims	19:00	15:30	17:52	00:00	52:22	18,657.00	356.28
Preferential creditors & employees	22:00	47:30	03:48	00:00	73:18	29,542.50	403.04
Total hours and costs	152:00	135:30	100:22	00:12	388:04	148,558.50	382.82