

AM10

Notice of administrator's progress report



Companies House

SATURDAY



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18/04/2020

#241

COMPANIES HOUSE

1 Company details

Company number 0 7 4 4 6 9 7 0

Company name in full Veoo Ltd

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

2 Administrator's name

Full forename(s) Andrew John

Surname Whelan

3 Administrator's address

Building name/number Unit 2 Spinnaker Court

Street 1C Becketts Place

Post town Hampton Wick

County/Region Kingston upon Thames

Postcode K T 1 4 E Q

Country

4 Administrator's name

Full forename(s) Douglas John

Surname Pinteau

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

5 Administrator's address

Building name/number Unit 2 Spinnaker Court

Street 1C Becketts Place

Post town Hampton Wick

County/Region Kingston upon Thames

Postcode K T 1 4 E Q

Country

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

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6 Period of progress report

From date	d 1	d 8	m 0	m 9	y 2	y 0	y 1	y 9	
To date	d 1	d 7	m 0	m 3	y 2	y 0	y 2	y 0	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	<div>Signature</div> <div>  </div>								
Signature date	d 1	d 6	m 0	m 4	y 2	y 0	y 2	y 0	

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Notice of administrator's progress report



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 **Andrew John Whelan**

Company name **WSM Marks Bloom LLP**

Address **Unit 2 Spinnaker Court
1C Becketts Place**

Post town **Hampton Wick**

County/Region **Kingston upon Thames**

Postcode **K T 1 4 E Q**

Country

DX

Telephone **020 8939 8240**



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 the form.



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

Joint Administrators' Progress Report

Veoo Limited (in Administration)

16 April 2020

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ATTACHMENTS

Receipts and Payments Account from 18 September 2019 to 17 March 2020

Additional Information in Relation to the Administrators' Fees, Expenses & Disbursements

VEOO LIMITED (IN ADMINISTRATION)

1 Introduction

- 1.1 I, Andrew John Whelan, together with Douglas John Pinteau, was appointed Joint Administrator of Veoo Limited ('the Company') on 18 September 2019. The appointment was made by the Company.
- 1.2 This Administration is being handled by WSM Marks Bloom LLP at Unit 2 Spinnaker Court, 1C Becketts Place, Hampton Wick, Kingston upon Thames, KT1 4EQ. The Joint Administrators' contact details are by phone on 020 8939 8240 or via email at insolvency@wsm.co.uk. The Administration is registered in the High Court of Justice, Business and Property Courts at Manchester, reference number 000936 of 2019.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at wsm.co.uk/insolvency/creditors-guides. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The trading address of the Company was 22-25 Eastcastle Street, 4th Floor, London W1W 8DF.
- 1.5 The registered office of the Company is Unit 2 Spinnaker Court, 1C Becketts Place, Hampton Wick, Kingston upon Thames, KT1 4EQ and its registered number 07446970.
- 1.6 The Joint Administrators are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 18 September 2019 to 17 March 2020 ('the Period') and should be read in conjunction with the Joint Administrators' proposals dated 8 November 2019.

2 Progress of the Administration

- 2.1 The statutory objective being pursued in the Administration was realising property in order to make a distribution to the secured and preferential creditors. The Joint Administrators are certain that this objective can be met, as demonstrated by preferential claims having been paid in full since the end of the Period but prior to the issuing of this report.
- 2.2 In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.3 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.4 Attached is our receipts and payments account covering the Period.
- 2.5 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fees can be found in section 4 of this report.

VEOO LIMITED (IN ADMINISTRATION)

Administration (including statutory compliance & reporting)

- 2.6 As noted above, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work this has involved was provided with the fees proposal issued to creditors at the same time as our Proposals, and further outlined in the fees information being sent to creditors at the same time as this report is being issued.
- 2.7 This work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Consideration following asset sale

- 2.8 Prior to the Administration, the director of the Company had completed a sale of the Company's assets to Digital Box Solutions Limited ('DBSL'), a UK subsidiary of Digital Box Inc., a digital media company based in California, USA. Full details of the assets sold, and the consideration, were described in the Joint Administrators' Proposals. The Joint Administrators were not involved in the sale.
- 2.9 We have investigated this transaction, including instructing JMW Solicitors to review the terms. We have noted the involvement and opinion of Marriott & Co, an independent valuer and member of the Royal Institute of Chartered Surveyors; the sale being to an unconnected party; and the necessity of the sale being concluded quickly so as to provide the best prospects of value being retained in the Company's contracts. We have concluded that the assets have been purchased at a fair value.
- 2.10 As reported in the Joint Administrators' Proposals, a sum of £35,000 had been paid following completion of the sale. Further realisations in the Period are as follows.

Book Debts

- 2.11 As part of the asset sale, during the Period DBSL were required to provide monthly information of debts collected and gross revenue generated from the purchased contacts, and pay to Marriott & Co 30% of all book debts collected each month.
- 2.12 It transpired that DBSL were unable to collect any book debts while Redd Factors Ltd ('Redd'), which had a factoring agreement with the Company, had amounts owed to it. It was confirmed to us that Redd had collected out their position at the end of October 2019. We have subsequently looked to DBSL to provide information on the debts they have continued to pursue.
- 2.13 A sum of £146,395.03 was paid to Marriott & Co, and was received in the Administration in December 2019. This was in respect of the balance of the factoring surplus from Redd, collected and paid over to DBSL, and equated to 30% of the sums collected, being £487,983.42, in accordance with the asset sale agreement.
- 2.14 Since that time, DBSL have advised that no further debts have been realised, with the last update being provided to the end of February 2020. It is uncertain whether any further debts will be collectable by DBSL, and consequently whether any further sums will be received into the Administration from book debts.

VEOO LIMITED (IN ADMINISTRATION)

Commission for Contracts

- 2.15 The sale agreement with DBSL required it to report monthly on all gross revenue generated from the Company's mobile phone/media company contracts sold, for a period of 18 months from completion of the sale. The Company would be entitled to 7.5% of this revenue during this period, which lasts to March 2021.
- 2.16 DBSL have largely complied with this requirement, but have advised that no revenue has been generated from these contracts to date.
- 2.17 In February 2020, DBSL advised they anticipated that they would start generating some revenue in May/June 2020. We will report on this accuracy of this, and realisations arising, in our next progress report.

Funds from the Company's CVA

- 2.18 A sum of £494,261.17 was transferred from the Company's CVA to the Administration, following the termination of the CVA on 3 December 2019.

Cash at Bank

- 2.19 We took control of the Company's bank accounts with NatWest Bank plc immediately upon appointment. The sum of £22,769.53 has been realised in respect of the remaining cash at bank.
- 2.20 We have also received during the Period further small sums from NatWest Bank plc totalling £356.74, in respect of refunded charges, and a payment of £1,735.55 in respect of an apparently returned payment, which we are investigating further.
- 2.21 We have also received £1,955 from the clients' account of the solicitors that had acted for the Company in its tribunal case with the PSA. This was the balance of funds provided on account of costs.

Other assets: Subsidiaries & Investments

- 2.22 During the Period we have investigated the potential value in five wholly owned foreign subsidiaries of the Company, and have received notice from a party interested in acquiring the Company's shares in these subsidiaries. Our investigations are ongoing, and it is not presently clear if there will be significant, or indeed any, value in these subsidiaries.
- 2.23 We have also sought to obtain further information in an investment the Company made in Pocket App Ltd, and determine whether there is a value, and a market, for the shares held. As at the end of the Period, these investigations are also continuing.
- 2.24 It is considered that the work the Joint Administrators and their staff have undertaken to date will bring a financial benefit to all classes of creditor, with preferential creditors to be paid in full, the secured creditor to receive a distribution, and unsecured creditors to receive a small distribution through the Prescribed Part, as described in paragraph 5.11 below.

VEOO LIMITED (IN ADMINISTRATION)

Creditors (claims and distributions)

- 2.25 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.26 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.27 The above work will not necessarily bring any financial benefit to creditors generally; however the Joint Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Administrators in dealing with those claims.
- 2.28 Further details of the work done to date in dealing with creditors and their claims is detailed in part 5 below.

Investigations

- 2.29 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ('CDDA 1986') and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.
- 2.30 We have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.
- 2.31 Shortly after appointment, we made 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 considered information provided by creditors in response to our request to complete an investigation questionnaire, and considered the affairs of the Company that led to the tribunal claim from the PSA.
- 2.32 Our investigations remain ongoing, though at this time we will not divulge further details to avoid prejudicing any potential claims.

3 Pre-administration Costs

- 3.1 No pre-administration costs have been sought on this case.

VEOO LIMITED (IN ADMINISTRATION)

4 Joint Administrators' Remuneration

- 4.1 The Joint Administrators' fees were agreed by creditors on 27 November 2019 as a fixed fee of £25,192 plus VAT for work done to date on the case, in relations to all aspects of the Administration to 1 November 2019. This remuneration has been drawn in full during the Period.
- 4.2 We are now seeking a further fees resolution based on the time spent by the Joint Administrators and their staff in managing the Administration for the period from 2 November 2019 to 3 April 2020. Details of the resolution, the basis, and the work done in respect of this resolution are being circulated to creditors at the same time as this report is being issued.
- 4.3 As the extent of work required for further realisations and investigations is not known at this time, we intend reverting to creditors with further fees proposals with our future progress reports for the period 3 April 2020 onwards. Note that the figure provided for further fees in the estimated outcome statement at section 5 below is purely an estimate, though it is consistent with the estimate in our Proposals.
- 4.4 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from wsm.co.uk/insolvency/creditors-guides. If you would prefer this to be sent to you in hard copy please contact our office.
- 4.5 Attached is additional information in relation to the Joint Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Estimated Outcome for Creditors

- 5.1 An Estimated Outcome Statement as at 16 April 2020 is below.
- 5.2 This has been prepared using the Estimated Outcome Statement included in the Joint Administrators' Proposals, updated based on case developments from then up to the end of the Period:

	£	£
Assets subject to Fixed Charge		None
Assets Subject to Floating Charge		
Cash at bank	26,817	
Balance from CVA	494,261	
Cash from Asset Sale	35,000	
Cash from debtors following Asset Sale	146,395	
Cash from future revenue following Asset Sale	10,000	
Sale of investments & subsidiaries	1,000	
		713,473
Less:		
Marriotts' fees	11,000	
Fee for preparation of Statement of Affairs	7,200	
Administrators' fees approved and drawn to date	25,192	
Administrators' fees being sought	36,000	
Estimated additional Administrators' fees	60,000	
Costs of Administration	21,000	
		(163,392)

VEOO LIMITED (IN ADMINISTRATION)

Preferential creditors		554,081
Net Floating Charge Property		(12,427)
'Prescribed Part' for unsecured creditors		540,654
Amount for Floating Charge creditor		(111,131)
		429,523

- 5.2 As the Company granted floating charges to Redd and to Web Zone Ltd ('Web Zone') after 15 September 2003, the Joint Administrators are required to create a Prescribed Part. The level of debt claimed under the floating charge is presently £683,541.67. As net floating charge property is estimated to only be £541,654, the Prescribed Part is estimated to be £111,131.

Secured Creditors

- 5.3 Redd and Web Zone both hold fixed and floating charges over the Company's assets.
- 5.4 Redd held a fixed charge over the Company's book debts, and have confirmed that realisations have been sufficient to pay these in full. Accordingly, they have no claim in the Administration.
- 5.5 Web Zone submitted a claim in the Administration on 14 November 2019 for £683,541.57, to which interest is being added.
- 5.6 We have instructed JMW Solicitors to assist us in determining the validity of Web Zone's charge and the amount claimed. We have yet to formally confirm the validity of the security, nor have we formally adjudicated on the value of the claim.

Preferential Creditors

- 5.7 Preferential claims were estimated in the director's estimated statement of affairs to be £10,027.
- 5.8 During the Period preferential claims, made up of the National Insurance Fund and five employees, have been agreed in the sum of £12,426.57, and have been paid in full since the end of the Period but prior to the issuing of this report. This distribution will be shown on our next receipts and payments account.

Unsecured Creditors

- 5.9 The Joint Administrators have received claims totalling £2,305,830.97 from 23 creditors. We have yet to receive claims from 137 creditors whose debts total £6,646,620.50 as per the list of creditors provided with our Proposals.
- 5.10 The Company granted a floating charge to Web Zone after 15 September 2003. Accordingly, the Joint Administrators are required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part).
- 5.11 Based on present information and the Estimated Outcome Statement above, we believe the value of the Company's net floating charge property to be £541,654. Arising from this, the value of the unsecured creditors' fund is presently estimated to be £111,331. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.

VEOO LIMITED (IN ADMINISTRATION)

6 Ending the Administration

- 6.1 In line with the Joint Administrators' Proposals, we remain of the view that upon the end of the Administration the Company will move to dissolution, as there will be insufficient funds to make a distribution to unsecured creditors other than through the Prescribed Part.
- 6.2 In the Proposals we anticipated that, due to the requirement for DBSL to pay 7.5% of any income from the contracts it purchased from the Company until March 2021, it was certain that the Administration would need to be extended beyond the default 12 months.
- 6.3 Accordingly, we will be seeking consent from the secured creditor, then a decision from unsecured creditors under Paragraph 78(2) of Schedule B1 of the Insolvency Act 1986, to consent that the period of Administration be extended the duration of the Administration, to allow time to complete realisations of all remaining amounts due from DBSL as part of the asset sale, agree unsecured creditor claims and pay a distribution from the Prescribed Part.
- 6.4 The Joint Administrators will be discharged from liabilities under Paragraph 98(3) of Schedule B1 of the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

7 Creditors' Rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

8 Next Report

- 8.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration, or earlier if the Administration has been finalised or the Joint Administrators wish to extend it.

For and on behalf of
Veeo Limited



A J Whelan
Joint Administrator
16 April 2020

Veoo Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 17/03/2020

S of A £		£	£
	SECURED CREDITORS		
(450,000.00)	Web Zone Ltd	NIL	NIL
	ASSET REALISATIONS		
272,578.71	Asset Sale Debtor Consideration	146,395.03	
33,250.00	Asset Sale Deposit Cash	35,000.00	
95,000.00	Asset Sale Revenue Consideration	NIL	
12,357.03	Cash at Bank	26,816.82	
500,000.00	Surplus From CVA	494,261.17	
	Bank Interest Gross	79.13	
			702,552.15
	COST OF REALISATIONS		
	Specific Bond	360.00	
	Office Holders Fees	25,192.00	
	Office Holders Expenses	61.00	
	The Creditor Gateway	48.00	
	ERA Solutions	250.00	
	Agents/Valuers Fees	8,778.08	
	Legal Fees	7,455.00	
	Statement of Affairs Assistance Fee	7,200.00	
	Statutory Advertising	81.00	
			(49,425.08)
	PREFERENTIAL CREDITORS		
(10,026.57)	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(7,886,437.91)	Trade & Expense Creditors	NIL	
(44,215.94)	Employees	NIL	
(110,465.29)	HM Revenue & Customs CT	NIL	
(638,830.10)	HM Revenue & Customs PAYE	NIL	
			NIL
(8,226,790.07)			653,127.07
	REPRESENTED BY		
	Vat Receivable		8,360.82
	Current A/c		644,766.25
			653,127.07

VEOO LIMITED (IN ADMINISTRATION)

ADDITIONAL INFORMATION IN RELATION TO THE JOINT ADMINISTRATORS' FEES, EXPENSES & DISBURSEMENTS

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size, complexity and experience requirements of the assignment.

On this case we have used the services of the following sub-contractors:

Service (s)	Provider	Basis of fee arrangement	Cost to date
Continued collection of amounts from DBSL	Marriott & Co	% of realisations	8,778.08
Agreement of employee claims	ERA Solutions Ltd	Fixed fee based on number of claims	250.00

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
JMW Solicitors LLP (legal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement.

Administrators' Expenses & Disbursements

The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrator's Proposals Report, as below:

Expense	Provider	Basis of fee arrangement	£ (net)
Statutory advertising	Legal & Public Notices	Cost per advert	160
Joint Administrators' bond	Insolvency Risk Specialists	Pre-agreed costs	720
Legal advice on administering the Administration	JMW Solicitors	tbc	20,000
Employee claims processing	ERA Solutions Ltd	Proposed Hourly rate	150
Report web-hosting	The Creditor Gateway	Fixed fee per report	50

VEOO LIMITED (IN ADMINISTRATION)

Current position of Administrators' expenses

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising	81.00	Nil	160.00
Joint Administrators' bond	360.00	Nil	510.00
Legal advice	7,516.00	Nil	20,000.00
Employee claims processing	250.00	Nil	250.00
Report web-hosting	48.00	Nil	192.00
Agent fees	8,778.08	Nil	10,778.08

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrator's Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.