

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number	0	9	0	9	4	9	2	2
Company name in full	Entertainment Allliance (UK) Ltd							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Emma
Surname	Mifsud

3 Administrator's address

Building name/number	C/o Opus Restructuring LLP
Street	Third Floor
	One Park Row
Post town	Leeds
County/Region	West Yorkshire
Postcode	L S 1 5 H N
Country	

4 Administrator's name ①

Full forename(s)	Mark
Surname	Ranson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	C/o Opus Restructuring LLP
Street	Third Floor
	One Park Row
Post town	Leeds
County/Region	West Yorkshire
Postcode	L S 1 5 H N
Country	

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

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

8

Sign and date

Administrator's
Signature

Signature

X

EL Ryland

X

Signature date

^d 0 ^d 4 ^m 0 ^m 4 ^y 2 ^y 0 ^y 2 ^y 4

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	Emma Mifsud						
Company name	C/o Opus Restructuring LLP						
Address	Third Floor, One Park Row						
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County/Region							
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Country							
DX							
Telephone	0113 512 5020						



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- ☐ 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.



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DX 33050 Cardiff.



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Entertainment Alliance (UK) Limited (In Administration)
("EA")

DOCUMENT CONTAINING THE STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
AS REQUIRED UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are not seeking a decision from creditors on the approval of the Proposals. Section 10 of the attached Statement explains how creditors may request a decision on the Proposals, if they so desire. Appendix X to the attached Statement summarises those Proposals.

Separately, the Joint Administrators will seek certain creditors' approval of a number of proposed decisions including that the Joint Administrators' fees be approved on a fixed fee and percentage of realisations basis, further information of which is provided within this report.

A statement of the pre-Administration costs is attached at Appendix III to the Proposals. Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

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

In the High Court of Justice

Business and Property Courts at Leeds

Insolvency and Companies List (ChD)

Reference No. CR-2024-LDS-000142

Entertainment Alliance (UK) Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Emma Mifsud and Mark Nicholas Ranson
Joint Administrators

Opus Restructuring LLP

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Disclaimer Notice

- This Statement of Proposals has been prepared by Emma Mifsud and Mark Nicholas Ranson, the Joint Administrators of Entertainment Alliance (UK) Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agents for Entertainment Alliance (UK) Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Opus Restructuring LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

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1. Executive Summary

This Statement of Proposals is being delivered to creditors on 4 April 2024.

The principal activity of Entertainment Alliance (UK) Limited ("EA") was the supply of music and entertainment products on a business to business ("B2B") basis. It traded from premises at Suite 2 Peel Mill, Commercial Street, Morley, LS27 8AG under a license agreement in EA's name.

Emma Mifsud and Mark Ranson of Opus Restructuring LLP ("Opus") were instructed on 6 February 2024 and subsequently appointed as Joint Administrators of EA on 9 February 2024, in addition to being appointed as Joint Administrators of the connected company, Market Place Solutions Worldwide LLP ("MPS"), a limited liability partnership, connected by common control, on the same date. The companies are inextricably linked. As such, references to both entities will be referred to in this report.

The Joint Administrators are currently pursuing the second statutory objective of achieving a better result for EA's creditors as a whole than would be likely if EA were wound up (without first being in Administration).

A summary of the current and anticipated future positions are detailed below.

Asset	Realisations to date £	Anticipated future realisations £	Total Anticipated Realisations
Business name and Contracts	15,000	Nil	15,000
Debtors	19,109	Uncertain	19,109
Stock	Nil	Nil	Nil
Cash at bank	99,341	Nil	99,341
IT equipment	1,243	2,057	3,300
Stock sales	Nil	Uncertain	Uncertain
Bank interest	238	Uncertain	238
Total	134,931	2,057	136,988

Expenses

Expense	Expense incurred to date £	Anticipated further expense £	Total Anticipated expense £
Cost of sale of fixed charge assets – Administrators' Fee	10,000	Nil	10,000
Cost of sale of fixed charge assets – Legal Fee	4,500	Nil	4,500
Cost of sale of fixed charge assets – Agent Fee	500	Nil	500
Joint Administrators' fees – pre appointment	7,500	NIL	7,500
Joint Administrators' fees–post appointment	7,500	Nil	7,500
Administrators' fees - post appointment (% of debtor realisations)	4,777	Uncertain	Uncertain
Legal Fees – post appointment	8,000	Nil	8,000
Agents' fees and disbursements	1,250	Nil	1,250
ERA costs	1,175	Nil	1,175
Accountants fees	400	Nil	400
License fee	210	Nil	210
Statutory advertising	119	218	337
Bank charges	NIL	50	50

Bonding	230	Nil	230
Storage	NIL	700	700
Printing and postage	40	20	60
Mileage	NIL	10	10
Total	46,201	998	42,482

Dividend prospects

Creditor Class	Distribution / Dividend paid to date	Anticipated Distribution / Dividend
Secured creditor (fixed charge)	Nil	Nil
Secured creditor (floating charge)	Nil	8,755
Preferential creditors (including Secondary Prefs)	Nil	74,797
Unsecured creditors (Prescribed Part)	Nil	5,939

The main work remaining to be done to conclude the Administration is as follows:

- Sale of the remaining physical assets by the appointed agents;
- Collect in the remaining debtor ledger, where possible;
- Continue to engage where required, with both suppliers and customers with regards to third party stock, held in conjunction with contracts entered into by EA;
- Continue to address creditor enquiries promptly as they are received;
- Continue to process former employee and pension claims in conjunction with the Redundancy Payments Service ("RPS");
- Carry out the necessary statutory investigations, which involve preparing a report on the conduct of EA's directors and former directors to be submitted to the Insolvency Service; and
- Lastly, where applicable, declare and distribute dividends to specific classes of creditors as and when realisations permit.

The Administration is currently expected to be concluded within one year and the anticipated exit route is dissolution of EA. However, should it be necessary, the Joint Administrators will seek consent from the relevant creditors to extend the Administration.

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

Statutory information for EA and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Opus Restructuring LLP.

2. Background to EA

The EA entity was established on 20 June 2014. The principal activity of EA was the supply of music and entertainment products on a B2B basis. It traded from licensed premises at Suite 2 Peel Mill, Commercial Street, Morley, LS27 8AG.

The business was started by David Stevens, Paul Fitzgerald, and Iain Doyle. Initially, it operated as both a wholesale supplier and a bricks-and-mortar retail supplier, catering to several retail stores.

MPS, the connected entity, primarily operated as an online retailer across various online platforms such as eBay and Amazon.

In its early years, both companies experienced rapid growth, with a combined turnover of over £30 million per year at its height. However, with the emergence of digital formats like Netflix, sales began to decline sharply.

To counteract this decline, MPS diversified its product range by introducing new items such as beds and furniture.

During the Covid-19 pandemic, the stores business within EA suffered significantly as there were no new release products, and in-store shopping reduced.

There was an injection of funds by a connected company Stone River Investments Limited ("SRIL") to assist with cash flow requirements and EA entered into a fixed and floating charge on 4 April 2023. Despite this, as a result of a continued decline in sales, both companies became unable to meet their liabilities as they fell due.

3. Events leading to the Administration

Opus was introduced to the directors on 2 February 2024 by Squire Patton Boggs, a firm of solicitors who had been advising EA with regards to its financial position.

Given the financial situation of both EA and MPS, SRIL had determined that no further funds would be invested into either business and without further funding, EA could no longer continue to trade. As no further funding was available to EA, a decision was made to stop allowing orders to be placed on various online platforms after 5pm on Friday 2 February 2024. EA employed 18 members of staff who were advised of the situation on 5 February 2024 and their employment was subsequently terminated.

As EA had ceased to trade, the various insolvency options were reviewed by Opus and discussed with the directors and it was concluded that the most appropriate route would be an administration as it would most likely produce the best outcome to creditors. The administration appointment process was the most timely, and asset realisations could take place without delay, safeguarding the position for creditors of the estate.

On 8 February 2024, a Notice of Intention to Appoint Administrators was filed and served on the Qualifying Floating Chargeholder, SRIL. Consent for the appointment was received on the same day.

On 9 February 2024, Emma Mifsud and Mark Nicholas Ranson of Opus Restructuring LLP were appointed Joint Administrators by the Directors of EA.

No Moratorium under Part A1 of the Act has been in force for EA at any time within the period of 2 years ending with the day on which it entered Administration.

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

Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

These proceedings are COMI proceedings.

Ethical Considerations

Prior to the Joint Administrators' appointment, a possible threat to objectivity regarding compliance with the Code of Ethics was identified. As mentioned above, the Joint Administrators are also appointed Joint Administrators of MPS, a connected entity with common ownership. The administration procedures for both entities are being conducted concurrently. Considering the interconnected nature of the two companies and their unified trading activities, placing them into Administration simultaneously was deemed the most efficient approach and the best outcome for creditors of each estate.

The Joint Administrators do not consider that this additional appointment represents a significant relationship with the directors of EA which would impugn their ability to act objectively, nor are they aware of any matters between the companies which would present the Joint Administrators with a self-review threat.

The Joint Administrators are therefore satisfied that, taking appointments over both companies does not present a threat to the Insolvency Code of Ethics. However, the assessment will be continuously monitored throughout the administration process to ensure no ethical threats arise that cannot be mitigated to an acceptable level.

No other threats to compliance with the Code of Ethics have arisen to date.

4. The Objective of the Administration

The Joint Administrators must perform their functions with the objective of:

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators concluded that rescuing EA as a going concern was not reasonably practicable to achieve given EA had ceased to trade.

The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in liquidation. The Joint Administrators' would comment that this objective is achieved as the Administration has enabled a controlled sale of the Business name and the contracts to a connected party. It is likely that this would not have been possible in a liquidation.

In the alternative, the Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to EA's secured, preferential, and secondary preferential creditors.

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

5. Events since the Joint Administrators' Appointment

Initial steps

Immediately upon appointment, the Joint Administrators undertook a review of EA's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with some of the former employees of EA.

Steps have been taken to serve the Notice of Appointment on the relevant parties, including all known creditors. We have also arranged to file statutory notices of the appointment with Companies House and place advertisements in the London Gazette.

Employees

Prior to the Joint Administrators' appointment, EA employed 18 staff, 17 of whom were made redundant by EA's management, with the remaining employee being made redundant upon the Joint Administrators' appointment. Since the administration took effect, the former employees have been written to and payroll information forwarded to the RPS for the processing of the claims. It is expected that the processing of claims and adjudication by the RPS will shortly be concluded.

Instruction of Specialists – Solicitors, agents and other professionals

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Before the appointment of the Joint Administrators, solicitors were instructed by the directors of EA to assist with the formalities of placing EA into Administration and are detailed below: -

Squire Patton Boggs (UK) LLP ("SPB")

SPB acted as EA's legal advisers and handled the formalities of filing the relevant Notices and appointment documentation. The fee of £10,000 plus VAT was incurred for the work completed which was paid by EA prior to the appointment of Joint Administrators.

It is not considered that there is a significant professional relationship that would represent a threat to the fundamental principles that form part of the Insolvency Code of Ethics.

Upon Appointment, the Joint Administrators instructed solicitors, agents and other professionals in respect of their assistance with the Administration, as detailed below:-

Walker Morris LLP ("WM")

The Joint Administrators' instructed legal advisers, WM, a firm of solicitors with appropriate expertise and experience in dealing with these types of Administration. WM were instructed

in respect of their legal assistance with matters concerning the Joint Administrators' appointment, legal issues arising on the sale of business and assets, advice on various customer and supplier contracts, employee redundancy matters, EA's property license, as well as the assistance with any necessary legal documentation. In particular, WM have provided their assistance with the contracts relating to sales of third party assets and stock sold via the stores and online platforms. Their fees have been agreed on the basis of their hourly charge-out rate, and thus far, £31,356 has been incurred. However, no fees have yet been paid to WM for their services.

Sanderson Weatherall LLP ("SW")

The Joint Administrators instructed SW, who are professional independent agents with adequate professional indemnity insurance, to secure and dispose of EA's assets using the most advantageous method available. This included undertaking inventories and valuations of EA's chattels and intangible assets, where appropriate.

Their fees have been agreed on the fixed basis of £1,518; however, these costs have not yet been paid.

Clumber Consultancy Ltd ("Clumber")

The Joint Administrators instructed Clumber, a firm who specialise in dealing with redundancy claims and have the appropriate expertise and experience in dealing with employee claims that arise as a result of Administration. This includes assistance to the employees and the Joint Administrators with the submission of relevant information to the RPS in order for redundancy claims to be processed and paid.

Their fee basis has been agreed on a fixed fee of £1,175 plus disbursements and VAT. To date, no payment has been made to Clumber.

Afinite Limited

The web hosting and backup services for EA was provided by Afinite Limited. The Joint Administrators instructed Afinite to provide a backup of the server for a fee of £345 plus VAT, which has been paid in full.

Hentons Accountants ("Hentons")

EA's payroll was prepared and processed by Hentons. Upon appointment, Hentons were instructed to prepare the P45s and to close EA's PAYE scheme. Subsequently, P45s have been duly issued to employees and the PAYE scheme has been effectively closed in accordance with the instructions provided. They have been paid £105 to date.

Unless stated otherwise, all professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

Assets

Sales to connected parties

Since EA had ceased to trade and employees made redundant prior to the Administration taking effect, a going concern sale was not appropriate.

Instead, some of EA's assets were sold by way of a sale agreement dated 4 March 2024 to PII Investments Ltd ("PII"). PII are a connected party to EA due to common ownership. Mr Paul Fitzgerald and Mr Iain Doyle are indirect Persons of Significant Control of EA, and also prominent stakeholders in PII, with each owning a 33.33% share.

In accordance with the requirements of SIP13, details of the sales of assets to parties connected with EA since the Joint Administrators' appointment are as follows:

Shortly following appointment, PII expressed an interest in purchasing EA's Business name and the Contract. A similar interest also extended to MPS.

SW had been instructed to value and dispose of EA's assets. Therefore, PII were invited to contact SW direct to progress their interest.

SW recommended and commenced with immediate effect an accelerated sales process on 13 February 2024 whereby an initial teaser document was sent to 639 potential interested parties via Eblast and the opportunity was published on IP-Bid.com and SW's website. From this activity, six expressions of interest were received, and six Non-Disclosure Agreements were sent to interested parties of which five were returned. These parties were subsequently provided with further information relating to the opportunity. A deadline by which offers should be submitted was set for 19 February 2024, this timescale given in order to decrease the risk of any value in the assets diminishing completely.

Only one offer was received in the sum of £15,000 plus VAT, from PII. As no offer was forthcoming from any other interested party and, due the pressing nature of the circumstances (with potential diminishing value of the assets), SW concluded that PII Investments' offer was likely to represent the best net realisation. Consequently, they recommended to the Joint Administrators that the offer be accepted.

Given that PII was a connected party and in line with the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, they obtained an Evaluators Report from J9 Advisory on 27 February 2024. The report recommended the offer be accepted on the basis of the information available. This report is available at appendix XI.

The sale concluded on 4 March 2024 whereby the full consideration was transferred to the Joint Administrators' solicitors client account, upon completion.

The purchasers were independently advised. There were no auctions, buy-back arrangements or similar conditions attached to the contract of sale.

The sale is part of a wider transaction. As detailed above, PII also expressed an interest in similar assets of MPS. On 4 March 2024, a sale of MPS's business name, trademarks and the benefit, subject always to the burden, of the contacts also completed to PII.

IT Equipment

SW undertook an inventory and valuation of EA's IT equipment. They advised the value of the equipment to be in the region of £3,300.

SW also advised on the best method of disposal of those assets, being an auction once they were delivered up, or in order to save costs, resale to the employees who were in possession of them in various parts of the country.

As such, some items have been purchased by the former employees and the remaining assets were sent to auction. To date, £1,243 plus VAT has been realised and is currently held by the auctioneer. SW are still attempting to collect the final items that have not been delivered up by the employees.

Licensed Premises

A licence to occupy was entered with the Peel Estates Limited in respect of premises Suite 2 Peel Mill, Commercial Street, Morley, LS27 8AG ("the Premises") on 2 October 2023 for a period of 12 months commencing on 8 November 2023. The Premises is not being used for the benefit of the Administration. Consequently, the Joint Administrators have returned the keys and the landlord has terminated the license. A deposit of £900 has been retained by the landlord in relation to unpaid rent and other payments under the licence.

Fox & Gray sales/intercompany debtor - MPS

EA's connected company, MPS, traded via an Amazon platform under the name of The Biggest Toy Store ("TBTS"), where it sold beds and mattress under the trademark "Fox & Gray". MPS also traded with Amazon under the name of The Entertainment Store ("TES"). We are informed that Amazon would not allow for funds from both accounts to be paid to the same limited company bank account. As such, all sales for TBTS were remitted to a bank account in the name of EA. This created an intercompany position which is currently being reviewed to determine which estate the funds belong to.

Cash held in client account/cash at bank

Shortly prior to appointment, EA had transferred £99,341 to a designated Opus client account. This has now been transferred to the estate bank account.

In addition, we are advised that there is a further balance held in EA's bank account totalling £3,474. It is understood that this relates to sales for Fox & Gray. As such, subject to legal advice, this amount will be transferred to MPS, once received from the bank.

Book Debts

Historically, book debt collections were undertaken by a third party, Vantiva. The report provided by them indicated that amounts due to EA as at 9 February 2024 totalled £160,819; On the Joint Administrators' appointment, EA records indicated the value of the sales ledger was £22,054. It is understood that some debts were settled shortly prior to Administration. This will shortly be reconciled and any remaining debts collected in, where possible. We understand that £19,109 has been received into the company bank account, since the Administration took effect.

Company Bank Account

The Joint Administrators made immediate contact with EA's bankers to request the transfer of any credit balances to the Joint Administrators' estate account. Funds are yet to be received, and have been chased by the Joint Administrators.

Continued Sales in Store

Despite being informed that all trading had ceased on 2 February 2024, it became apparent that some third-party stock supplied by EA (on what is believed to be a consignment basis) remained in various stores and on sale. Retailers have been contacted to request no further sales take place. Due to the nature of the stock being on sale in hundreds of stores with one particular retailer, this has not been immediately possible. The various contracts are being reviewed to establish rightful ownership, where applicable. This has proved to be a complex and time-consuming process (which has involved both the Joint Administrators and WM). In due course and where the position can be reconciled, any sales that have occurred since the Joint Administrators' appointment will be accounted for to the third parties, with any net balance remaining in the administration estate.

There are no other known assets of EA.

Steps taken as regards creditors

As detailed earlier, prior to the Administration taking effect, EA employees were made redundant. Employment specialists, Clumber, were instructed to assist employees with their redundancy claims and liaise with the RPS.

A significant amount of time has been spent dealing with creditors who have third party stock held in various online and instore platforms, pursuant to contracts entered into between EA and these retailers. The position is complex in determining the obligations of EA and any benefit to the estate, however it is expected that the position will shortly be crystallised, pending the cooperation of various stakeholders.

The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence. The Joint Administrators will continue to deal with any matters that arise from creditor queries.

Investigation into EA's affairs prior to the Administration

The Joint Administrators have commenced a review of EA's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of EA's directors.

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

6. The Statement of Affairs and the Outcomes for Creditors

An estimated statement of EA's affairs has been submitted by Iain Doyle, director of EA, a copy of which is attached at Appendix IV. The statement of concurrence has not yet been received from the other directors.

In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

Attached at Appendix V is the Joint Administrators' receipts and payments account for the period from 9 February 2024 to 4 April 2024.

Also attached at Appendix VI is a Comparative Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.

The Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

As indicated on the Estimated Outcome Statement at Appendix VI, the net property is estimated to be £14,693, which would result in an estimated prescribed part of £5,939. Please note that the value of the prescribed part is only an estimate and is subject to change. In any event, it is anticipated that the net property is likely to be less than the prescribed minimum of £10,000 or the Joint Administrators are of the view that the costs of making a distribution to unsecured creditors would be disproportionate to the benefits, so there will not be a distribution of the prescribed part to unsecured creditors.

It is therefore anticipated that there will be insufficient funds to make a distribution to unsecured creditors of EA due to the indebtedness of the secured and preferential creditors, other than by way of prescribed part as mentioned above.

7. The Joint Administrators' Fees

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

- A set amount of £17,500 for the Administration; and
- 25% of the value of gross debtor realisations and sales receipts.

Please note that this is on a proposed basis only, in view of the present circumstances of the case it is entirely possible that the Joint Administrators may consider it appropriate to seek the relevant creditors approval to a different basis for their fees as the administration progresses. As approval of the basis of fees is not being sought at this time, the Joint Administrators propose to provide creditors full information to enable them to assess the appropriateness of the Joint Administrators' future requests regarding fees at a later date.

The fee proposed is considered a fair and reasonable reflection of the work undertaken and proposed to be undertaken in light of the scope of work carried out to date as set out above and the work proposed to be undertaken as set out at Appendix VII. It should be noted that, if the Joint Administrators were to charge their fees on the basis of time costs incurred by them and their staff, due to the complexities experience, this would result in a fee in excess of that proposed. In addition, fixing the remuneration will give creditors certainty and clarity regarding the proposed fees from the outset and throughout the course of the Administration.

Attached at Appendix VII is a summary of the work proposed to be undertaken. Details of the Joint Administrators' charge-out rates and their staff are provided at Appendix VIII.

The Estimated Outcome Statement at Appendix VI provides an overview of the financial benefit that this work is expected to bring to creditors.

Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfdm.pdf> or a hard copy will be provided on request.

8. The Joint Administrators' Expenses

Attached at Appendix IX are details of the expenses that the Joint Administrators expect to incur in the Administration.

Expenses fall into two categories: Category 1 and Category 2.

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

Appendix IX provides details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

9. The Joint Administrators' Discharge

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

10. Approval Process

Approval of the Statement of Proposals

The Joint Administrators think that EA has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act. Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of EA's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

The Joint Administrators will shortly be inviting the secured and preferential creditors to decide on the following matters:

- That a Creditors' Committee be established if sufficient creditors are willing to be members of a Committee;
- The timing of the Joint Administrators' discharge from liability;
- The basis on which the Joint Administrators' fees shall be fixed;
- The approval of the unpaid pre-Administration costs; and
- The approval of the basis of Category 2 expenses.

To assist those creditors who are requested to vote on these matters, the relevant forms will be provided under separate cover, in the near future.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or Sakshi Mehta, on 0117 920 0059 or by email to sakshi.mehta@opusllp.com.

Dated this 4 April 2024



Emma Mifsud
Joint Administrator

Emma Mifsud and Mark Nicholas Ranson were appointed Joint Administrators of Entertainment Alliance (UK) Limited on 9 February 2024. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Emma Mifsud and Mark Nicholas Ranson
EA	Entertainment Alliance (UK) Limited (in Administration)
The Court	High Court of Justice
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of EA's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
COMI	Centre of Main Interests
CVL	Creditors' Voluntary Liquidation
CVA	Creditors' Voluntary Arrangement

Appendix II: Statutory and Financial Information

Company name	Entertainment Alliance (UK) Limited
Previous name(s)	-
Trading name(s)	The Entertainment Store
Proceedings	In Administration
Court	High Court of Justice
Court reference	000142
Date of appointment	9 February 2024
Appointed by	The directors of EA
Joint Administrators	Emma Mifsud and Mark Nicholas Ranson Opus Restructuring LLP Third Floor, One Park Row, Leeds, West Yorkshire, LS1 5HN
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them.
Registered office	Formerly: C/O Hentons Northgate, 118 North Street, Leeds, LS2 7PN Changed to: C/O Opus Restructuring LLP, 1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ
Company number	09094922
Incorporation date	20 June 2014
Company Secretary at date of appointment	None known
Directors at date of appointment	Iain Doyle Ian Pinkus
Directors' / Secretary's shareholdings	100% owned by Entertainment Alliance (Holdings) Limited – 100 Ordinary Shares - £1 per share

Summary Profit and Loss Account

	Unaudited Statutory Accounts for the year to 30 June 2022 £	Unaudited Statutory Accounts for the year to 30 June 2021 £	Unaudited Statutory Accounts for the year to 30 June 2020 £
Turnover	4,041,893	5,675,898	5,501,786
Cost of Sales	(3,888,731)	(5,373,255)	(4,325,544)
Gross Profit	153,162	302,643	1,176,242
Administrative expenses	(346,592)	(491,985)	(800,079)
Operating loss	(193,430)	(189,342)	376,163
Interest receivable and similar income	4	(476)	-
Interest payable and similar expenses	-	-	(4,676)
Loss before taxation	(193,426)	(189,818)	371,487
Tax on loss	(560)	(345)	(72,873)
Loss for the financial year	(193,986)	(190,163)	298,614
Retained earnings brought forward	100,979	291,142	975,633
Dividends	-	-	(983,105)
Retained earnings carried forward	(93,007)	100,979	291,142

Summary Balance Sheet

	Unaudited Statutory Accounts for the year to 30 June 2022 £	Unaudited Statutory Accounts for the year to 30 June 2021 £	Unaudited Statutory Accounts for the year to 30 June 2020 £
Fixed assets	4,671	5,151	5,638
Current Assets	1,157,491	2,330,534	3,159,526
Liabilities			
Creditors : Amounts falling due within one year	(1,254,416)	(2,111,859)	(2,873,760)
Net current assets/(liabilities)	(96,925)	218,675	285,766
Total assets less current liabilities	(92,254)	223,826	291,404
Provisions for liabilities	(653)	(122,747)	(162)
Net (liabilities) / assets	(92,907)	101,079	291,242
Capital and reserves	(92,907)	101,079	291,242

Appendix III: Statement of Pre-Administration Costs

On 6 February 2024, Directors of EA agreed with the proposed Joint Administrators that Opus Restructuring LLP be paid fees for work done prior to the Administration as a set fee of £7,500 plus VAT and disbursements for the following tasks and matters that were considered necessary to placing Entertainment Alliance (UK) Limited into Administration.

Setting the Joint Administrators' fees in the sum of £7,500 is considered to be a fair and reasonable reflection of the work undertaken, as the fixed fee covered the work set out below.

The following tasks and matters were considered to be necessary to placing EA into Administration as set out below:

- Conflict Review, Ethical Review and all pre-appointment checks;
- Drafting Engagement Letter and associated documents;
- Liaising with the directors;
- Case set-up and administrative duties;
- Discussions regarding strategy, pre-appointment legal issues; and
- Assisting in filing of Administration appointment documentation

Prior to Administration, the proposed Joint Administrators gathered information on EA to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective.

Time was spent on ethical and pre-appointment checks including those relating to Money Laundering. Whilst many of these tasks do not have a direct benefit, they assist in the efficient and compliant progress of the Administration, which ensures that I and my staff carried out our pre-appointment work to high professional standards.

In conducting the above work, the following costs were incurred:

	£
Opus Restructuring LLP's fees	£7,500

All the above costs remain unpaid and consent will now be sought from the relevant classes of creditors.

Appendix IV: Director’s Estimated Statement of Affairs Entertainment Alliance (UK) Limited

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to a fixed charge:		
None		0
Assets subject to a floating charge:		0
Uncharged assets:		87,652
Surplus from assets subject to a fixed charge		0
Estimated total assets available for preferential creditors		87,652

A1 – Summary of liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	87,652
Liabilities	
	(844,717)
Preferential creditors:	
PAYE (1)	
Secondary Preferential Creditors (1)	
Total Preferential Claim	
Estimated deficiency / surplus as regards preferential creditors:	
Secondary Preferential creditors:	
None	
Total Secondary Preferential Creditors	
Estimated deficiency / surplus as regards secondary preferential creditors:	
Estimated prescribed part of net property where applicable (to carry forward)_	
Estimated total assets available for floating charge holders	
Debts secured by floating charges	
Estimated deficiency/surplus of assets after floating charges	
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	
Unsecured claims (excluding any shortfall to floating charge holders)	
Employees' Claims	
Trade Creditor (12)	
Estimated surplus/deficiency as regards unsecured creditors (excluding any shortfall to floating charge holders)	
Shortfall to floating charge creditors	
Issued and called up capital	
None	
Estimated total deficiency / surplus as regards members	(757,065)

B - COMPANY CREDITORS

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value of security
Big Ideas Corporation Ltd	59 Prices Court, London, SW11 3YS	Trade Creditor	£14,400.00			£0.00
Elevation Sales Ltd	th Floor 172 Tottenham Court Road, London, W1T 7NS	Trade Creditor	£64,023.29			£0.00
Technical Video Servoces UK Ltd t/a Technicolor Distribution	Valley Industrial Estate, Cosford Lane, Rugby, Warwickshire, CV21 1QN	Trade Creditor	£18,143.33			£0.00
HM Revenue & Customs – PAYE	Debt Management - EIS C, Worthing, BX9 1SH	PAYE	£61,232			£0.00
Customers	-	Trade Creditor	£138,743			£0.00
Warner Bros	Warner House, 98 Theobalds Road,, London, WC1X 8WB	Trade Creditor	£538,748.00			£0.00

C - COMPANY CREDITORS (EMPLOYEES FORMER EMPLOYEES & CONSUMER CLAIMING AMOUNTS PAID IN ADVANCE FOR THE SUPPLY OF GOODS OR SERVICES)

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

[illegible]

D - COMPANY MEMBERS

Name of shareholder	Address (with postcode)	Type of share	Nominal value	No. of shares	Amount per share called up	Total amount called up
Entertainment Alliance (Holdings) Limited	Unit C, Nepshaw Lane South, Gildersome, Leeds, LS27 7JQ	Ordinary shares	£1	100	£1	£100

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Stone River Investments Limited Address: Unit C Nepshaw Lane, South, Gildersome, Leeds, LS27 7JQ	£500,000	Fixed and Floating Charge Holder	Created 4 April 2023 and Delivered 12 April 2023	Nil

Appendix V: Receipts and Payments Account

Entertainment Alliance (UK) Limited - In Administration
Joint Administrators' Abstract of Receipts & Payments

From 09 February 2024 To 04 April 2024

S of A £		£	£
	ASSET REALISATIONS		
	Cash at Bank	99,341.05	
	Bank Interest Gross	238.00	
87,652			99,579.05
	COST OF REALISATIONS		
	Professional Fees - Accountancy	(105.00)	
	IT Assistance	(345.00)	
			(450.00)
	PREFERENTIAL CREDITORS		
	PAYE	NIL	
	Secondary Preferential Creditors	NIL	
			NIL
	UNSECURED CREDITORS		
844,717	Trade Creditor	NIL	
(844,717)			NIL
(757,065)			99,129.05
	REPRESENTED BY		
	Vat Receivable	90.00	
	FLTC - E Mifsud & M Ranson Joint Administrators of Entertainment Alliance (UK) Limited (IB)	99,039.05	
			99,129.05
			Emma Mifsud Joint Administrator
			Mark Nicholas Ranson Joint Administrator

Appendix VI: Estimated Outcome Statement

Entertainment Alliance (UK) Limited - in Administration Comparative Estimated Outcome Statement

	Notes	Book Value as at 30 June 2022	Administration	Compulsory winding up
		£	£	£
ASSETS				
Assets Subject to a Fixed Charge:				
Business name, Trademarks and the Contracts		-	15,000	-
Less: Cost of sale of fixed charge assets - Administrators' fees		-	(10,000)	-
Less: Cost of sale of fixed charge assets - Legal fees		-	(4,500)	-
Less: Cost of sale of fixed charge assets - Agent fees		-	(500)	-
Less: Secured Charge due to Stone River Investments Limited		-	(500,000)	(500,000)
Surplus / (Shortfall) to fixed charge holder		-	(500,000)	(500,000)
Assets subject to floating charge:				
Cash held in client account / cash at bank	1	-	99,341	99,341
IT Equipment		3,436	3,300	3,300
Debtors	2	993,577	19,109	19,109
Stock	3	61,978	Nil	Nil
Stock sales	4	-	1	Nil
Total Assets subject to floating charge		<u>1,058,991</u>	<u>121,750</u>	<u>121,750</u>
Less Costs :				
Administrators' fees - pre appointment			(7,500)	-
Administrators' fees - post appointment (fixed)			(7,500)	-
Administrators' fees - post appointment (% of realisations)			(4,777)	-
Liquidators' fees			-	(25,000)
Solicitors' fees- post appointment			(8,000)	(15,000)
Agent's fees & costs			(1,250)	(2,000)
Petitioning creditors costs & petition fees			-	(15,000)
OR fees			-	(6,000)
Advertising			(337)	(337)

Bank Charges				(50)	(50)
Bond Premium				(230)	(230)
Document Storage				(200)	(200)
Software fee - Virtual Cabinet				(210)	(210)
Print and Postage				(60)	(60)
Storage (CW Harrisons & Sons)				(500)	(500)
Accountant				(400)	(400)
Mileage				(10)	(10)
ERA Costs				<u>(1,175)</u>	<u>(1,175)</u>
Total				<u>(32,259)</u>	<u>(66,172)</u>
Estimated funds available for preferential creditors				<u>89,491</u>	<u>55,578</u>
LIABILITIES					
Preferential Creditors					
Arrears of Wages and Holiday Pay				(12,287)	(12,287)
Pension Arrears				(725)	(725)
HMRC VAT				(38,000)	(38,000)
HMRC - PAYE/NIC				<u>(23,785)</u>	<u>(23,785)</u>
				<u>(74,797)</u>	<u>(74,797)</u>
Net Property				<u>14,693</u>	<u>(19,219)</u>
Prescribed Part					
Prescribed Part of Net Property				<u>(5,939)</u>	<u>-</u>
Estimated funds available for floating charge holder				<u>8,755</u>	<u>(19,219)</u>
Floating Charge Holders					
Stone River Investments Ltd (b/d)				<u>(500,000)</u>	<u>(500,000)</u>
Estimated surplus /(deficiency) as regards floating charge holder				<u>(491,245)</u>	<u>(500,000)</u>
Prescribed part funds available to unsecured creditors				<u>5,939</u>	<u>-</u>
Estimated funds available for unsecured creditors				<u>5,939</u>	<u>-</u>
Unsecured Creditors					
Employee claims (in excess of pref amount)				(131,153)	(131,153)

Trade creditors	5		(390,728)	(390,728)
Intercompany loan	6		<u>uncertain</u>	<u>uncertain</u>
Total Unsecured Creditors			(521,881)	(521,881)
Estimated shortfall to unsecured creditors			(515,943)	(521,881)
Shortfall to Preferential Creditors (including secondary)			-	-
Shortfall to Secured creditors			<u>(491,245)</u>	<u>(500,000)</u>
Total Shortfall			<u>(1,007,188)</u>	<u>(1,021,881)</u>

Notes

- 1 The Company received credits from Amazon with reference to MPS Amazon sales which should be transferred to MPS (subject to legal confirmation)
- 2 Since the appointment of the Joint Administrators, debtors of £19,108 have paid to the Company's bank account. Future debt collections are uncertain as the ledger is not up to date and it is unclear if the consignment and other debtors are collectable. The position is being reviewed and is noted as £1
- 3 It is unlikely that there is any stock that belongs to the Company as the sales of the Company were on a consignment basis. Legal advice is being sought by the Joint Administrators in this respect.
- 4 It appears that some stock has continued to be sold without permission of the Joint Administrators via various platforms. This position will be reconciled in due course
- 5 This figure has been taken from information provided by the Company.
- 6 the inter company position between EA and MPS is currently unclear and will need reconciling in due course.

Appendix VII: Work proposed to be undertaken

Please note that the descriptions below reflect the work undertaken and includes work already done.

This has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no exceptional work will be required to realise the remaining assets;
- there are no assets not yet identified
- the engagement with creditors will be in line with that estimated in the proposal
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration / the relevant creditors will be asked to approve an extension of the Administration at the appropriate time.

General Description	Includes
Administration (including statutory reporting)	
Statutory/advertising	Filing and advertising to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending case files to storage
Creditor reports	Preparing proposal, six monthly progress reports, fee authority report to secured and preferential creditors, conversion to CVL (where appropriate) and final report Seeking extension via creditors (where appropriate) and/or court
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure
Investigations	
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be

General Description	Includes
	taken
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations
Realisation of Assets	
Plant and machinery; office furniture and equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings
Licensed property	Liaising with valuers and agents Agreeing termination of license
Debtors	Liaising with former debt collection agent and collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Submitting VAT bad debt relief claims (where appropriate)
Stock	Conducting stock takes Considering position and seeking legal advice (where appropriate) Reviewing stock values Liaising with agents and potential purchasers
Other assets: intangibles, intellectual property, , cash at bank	Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Liaising with solicitors to agree sales Collecting sales consideration Liaising with bank(s) to recover cash at bank
Retention of Title Claims ("ROT")	Receive initial notification of creditor's intention to claim Provision of retention of title claim form to creditor Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Exchanges with solicitors in deciding claims and dealing with disputes
Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
Creditors (claims and distribution)	
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims
Distribution procedures	Agreeing allocation of realisations and costs between fixed and floating charges Paying distribution to secured creditors and seeking confirmation of discharged claims

General Description	Includes
	Paying distribution to preferential/secondary preferential or unsecured creditors (under prescribed part as appropriate) The process below will need to be applied for each class of creditor paid: Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of notice of intended dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Preparation of cheques/BACS to pay dividend Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date
Creditors' Committee	No estimate has been provided, as it has been assumed that no Committee will be established
Case Specific Matters	
Pension review	Pension scheme searches to be carried out Pension scheme to be wound down if applicable

Administration (including Statutory Reporting)

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

Investigations

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

Realisation of assets

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

- Arrange transfer of funds in connection with the sale of the business name and trademarks;
- Book debts: reconcile and pursue;

- Inter-company balances: establishing the sums due and pursuing settlement where appropriate;
- Sale of assets, including IT Equipment: completing sales with the assistance of agents
- Cash at bank: continuing to pursue EA's bank(s) to release payment;
- Stock: conclude review of position to determine ownership of stock with assistance of WM and notify relevant parties of outcome;
- Reconcile post administration realisations of the stock; and
- Submitting all post appointment tax returns and settling any liabilities relating to the sale of assets.

Creditors (claims and distributions)

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries, assisting the employees in pursuing their claims via the RPO, dealing with retention of title claims and issuing statutory reports to creditors. In addition, as a dividend to preferential, secondary preferential and unsecured creditors is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement.

The Fees Estimate for the Liquidation

The Joint Administrators do not anticipate that it will be necessary to exit the Administration into Creditors Voluntary Liquidation and therefore do not, at this stage, propose to provide a fee estimate for fees in a liquidation.

Should the position change and an exit via Creditors Voluntary Liquidation become required, the Joint Administrators or any subsequently appointed Joint Liquidators, reserve the right to seek approval under separate cover.

Appendix VIII: Charge-out Rates and Expenses Policy

Information relating to Opus Restructuring LLP's Fees and Expenses

Explanation of Opus Restructuring LLP's charging and expense recovery policies

CHARGE OUT RATES AND EXPENSES POLICY

CHARGE OUT RATES

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

Grade of Staff	Rate from 4 May 2020
	Standard Rate £'s
Partner	375 – 425
Senior Manager / Associate Director / Director	275 – 350
Assistant Manager / Manager	250 – 275
Junior Administrator / Administrator / Senior Administrator	100 – 225
Cashier	150 – 175
Support Staff	100

The above rates are exclusive of VAT.

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

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

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

Details of historic charge out rates will be provided upon request.

EXPENSES

Expenses are categorised as either Category 1 or Category 2.

Category 1 Expenses:

These will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP (Opus) and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Examples of these expenses include, but are not limited to, the following:

Category 1 Expenses – effective from 4 May 2020	Basis of Charge
Professional Advice e.g. costs of solicitors, agents & valuers, pension advisors, employment specialists etc.	Typically, on a time costs or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.
Statutory & other Advertising	At cost incurred

Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of Assets	At cost in relation to asset coverage requirements
Software licence fee	At actual cost
Travel	All forms other than mileage at actual cost
Subsistence	At cost incurred
Room Hire	All external venues at actual costs
Record Listing, Storage a& retrieval	At cost incurred
Printing & Postage costs of external provider	At cost incurred
Virtual Meeting Platform	At cost incurred

Category 2 expenses:

These include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third-party invoice, and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the expense charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business mileage (for cases commencing on or after 1 November 2011). Payment of Category 2 expenses require the approval of creditors.

Included in Category 2 expenses are costs incurred with associated parties. These include Forensic work undertaken by Opus Pear Tree Limited.

Examples of Category2 expenses include, but are not limited to, the following:

Category 2 Expenses – effective from 4 May 2020	Cost £
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	£0.45
Physical file set-up cost (per file) this is the actual cost of the stationery used for the setting up of the file*	£6.00
Professional Services provided by non-Insolvency service lines within Opus Restructuring LLP or associated companies within the corporate group structure of Opus Restructuring LLP	As advised to creditors on a case by case basis.

* The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

VAT

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

Creditors Rights

Information about creditors rights can be obtained by visiting the creditors' information site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk. Details about how an office holders' fees may be approved for each case type and challenged are available in a series of guides issued with SIP9 and can be accessed at www.opusllp.com/restructuring-insolvency/creditor-fee-guide/. Alternatively hard copies of these documents may be requested free of charge from Opus' registered office.

Appendix IX: The Joint Administrators' Expenses Estimate

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

Category 1 Expenses	Basis	Estimate of total
Legal costs – Walker Morris LLP: providing advice in respect of validity of security and appointment; drafting documents, employee redundancy, as well as contracts with suppliers and customers.	Time-costs	£12,500
Agents and Valuers – Sanderson Weatherall LLP: providing a valuation and assisting with a sale of the company's assets	Time-costs/% combined basis	£1,250
Accounting fees to include final payroll calculations; arranging the closure of the payroll scheme;	Fixed fee	£400
Processing of employee claims: Clumber Consultancy: assisting employees with their redundancy claims and liaise with the Redundancy Payments Service, assisting with a review of EA's pension scheme and aid in filing any forms regarding contribution arrears and winding down the scheme	Fixed Fee	£1,175
Advertising		£337
Bank charges		£50
Bond premium		£230
Document/Asset storage		£700
Case management software and website document access		£210
Printing and postage		£60
Total		£16,912

Category 2 Expenses	Basis	Estimate of total
Mileage (own car usage)	45p per mile	£10.00
Total		£10.00

Appendix X: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's remaining assets at such time(s) and on such terms as they consider appropriate
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Emma Mifsud and Mark Nicholas Ranson will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for

the benefit of the estate. In such circumstances, Emma Mifsud and Mark Nicholas Ranson may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or

- (iv) in the event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act / apply to the court to bring the Administration to an end in accordance with Paragraph 79(3) of Schedule B1 of the Act

Qualifying Report

Under The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 in relation to the proposed substantial disposal of the business and assets of:

ENTERTAINMENT ALLIANCE (UK) LIMITED, and

**MARKET PLACE SOLUTIONS WORLDWIDE LLP
(BOTH IN ADMINISTRATION), to**

PII INVESTMENTS LIMITED

27 February 2024



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PURPOSE, CONTENTS AND INTERPRETATION

PURPOSE

As Per the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, in the absence of Creditor Approval of this substantial disposal that is within 8 weeks of entering Administration, a connected party purchaser is required to obtain a Qualifying Report in accordance with Section 6 of the Regulations. This report has been commissioned for that purpose, in order to provide an Independent Opinion as to whether the grounds and consideration for the Substantial Disposal are reasonable in the circumstances.

CONTENTS

- 1) Evaluator Profile and Professional Indemnity Insurance
- 2) Transacting Companies, The Connected Persons, and Previous Qualifying Reports
- 3) Proposed Transaction Details
- 4) Independent Asset Valuation, Marketing and Evidence Relied Upon
- 5) Opinion on the Proposed Transaction

INTERPRETATION

In this Report:

"The Regulations" means The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

"Qualifying Report" has the meaning given to it in Regulation 5 of the Regulations.

"Connected Persons" as defined in Paragraph 60A(3) of Schedule B1 to the Insolvency Act 1986 and includes Directors, Shadow Directors, and other Officers of the Company, as well as Connected Companies.

"Substantial Disposal" means, as given in Regulation 3 of the Regulations, a disposal, hiring out, or sale to one or more Connected Persons during the period of 8 weeks beginning with the day on which the Company enters Administration of what is, in the Administrator's opinion, a substantial part of the Company's Business or Assets, and includes a disposal which is effected by a series of transactions.

"Relevant Property" means the property being disposed of, hired out or sold by the substantial disposal as defined in Regulation 2 of the Regulations.

"Previous Report" has the meaning given to it in Regulation 8 of the Regulations.

"TUPE" means Transfer of Undertaking (Protection of Employment) Regulations 2006.

"The Administrator" means Emma Misfud and Mark Ranson of Opus Advisory Limited ("Opus").

1) EVALUATOR PROFILE AND PROFESSIONAL INDEMNITY INSURANCE

EVALUATOR PROFILE

I, Johnny Abraham, confirm that I am satisfied that my knowledge and experience is sufficient to meet the requirements set out under Part 3 of The Administration (Restriction on Disposal etc. to Connected Persons) Regulations 2021.

I have over 22 years of experience specialising in Business Funding, Restructuring and Insolvency matters which has been gained within an International Big 4 Professional Services Firm, a National Independent Restructuring and Insolvency practice, and within my own Independent Specialist Business Advisory Firm. I also have experience in Commercial Lending gained within two International Banks.

I am a Fellow Member of the Institute of Chartered Accountants in England and Wales, a Fellow Member of the Association of Business Recovery Professionals, and an Accredited Member of the Institute for Turnaround. I am also a Member of the Board of the Turnaround Management Association in the UK.

I can confirm that:

- I meet the requirements as to Professional Indemnity Insurance as specified in Regulation 11, (Further details set out below);
- I meet the requirements as to independence, as specified in Regulation 12; and
- I am not excluded from acting as an Evaluator by virtue of Regulation 13.

Having met the requirements set out above, I can therefore act as an Evaluator in respect of making this Qualifying Report.

PROFESSIONAL INDEMNITY INSURANCE

Insurer: QBE UK Limited

Policy Number: 00010817PIC

Risks Covered: Professional Indemnity Insurance to cover the Business Funding, Rescue and Restructuring Advisory Services provided by J9 Advisory Limited, including acting as an Evaluator in producing a Qualifying Report under the Regulations.

Amount Covered: £1,000,000 (any one claim)

Exclusions: Geographical Exclusion (USA and Canada). Vicarious Liability Exclusion.



2) TRANSACTING COMPANIES, THE CONNECTED PERSONS, AND PREVIOUS QUALIFYING REPORTS

DISPOSING COMPANIES

Entertainment Alliance (UK) Limited (in Administration) ("Entertainment Alliance")
Company Number - 09094922

Market Place Solutions Worldwide LLP (in Administration) ("MPS LLP")
Company Number - OC385412

PROPOSED PURCHASER

P11 Investments Limited ("P11 Investments")
Company Number - 15472442

CONNECTED PERSONS AND NATURE OF CONNECTION

Paul Fitzgerald

Is an indirect Person of Significant Control ("**PSC**") of Entertainment Alliance.

He was a Member of the MPS LLP between May 2013 and May 2020, and he is a Director and 100% Shareholder of **JGP Sales Ltd (13364664)**, which is a Designated member of MPS LLP.

He is also a 33.33% Shareholder of P11 Investments.

Iain Karl Doyle

Is a Director, and together with his wife **Joanne Doyle**, is an indirect PSC of Entertainment Alliance.

They are both Directors and are both 50% Shareholders of **Doyle Trading Holdings Limited (07344744)** which is a Designated member of MPS LLP.

He is a Director, and together with his wife Joanne Doyle, an indirect PSC of **Stone River Investments Ltd ("Stone River") (12929369)** which is a secured creditor of both Entertainment Alliance and MPS LLP.

He is also a Director and 33.33% Shareholder of P11 Investments.

Ian Alan Pinkus

Is a Director and indirect PSC of Stone River which is a secured creditor of both Entertainment Alliance and MPS LLP.

He is a Director and 33.33% Shareholder of P11 Investments.

PREVIOUS QUALIFYING REPORTS

The Connected Persons above have provided written confirmation that no previous Qualifying Reports have been instructed or received from any other Evaluator.

There is no reason for me to believe that this is incorrect, and therefore I surmise that Section 8 of the Regulations does not apply.

3) PROPOSED TRANSACTION DETAILS

BUSINESS AND ASSETS BEING DISPOSED ("RELEVANT PROPERTY")

PII Investments is proposing to acquire substantial Business and Assets of Entertainment Alliance and Market Place Solutions which consist of Right, Title and Interest as are held in the following:

- Name
- Benefit subject to burden of the Contracts
- Trademarks

PROPOSED CONSIDERATION AND TERMS

PII Investments proposes to acquire the Relevant Property of Entertainment Alliance and Market Place Solutions for the consideration and under the terms detailed below:

	Entertainment Alliance	Market Place Solutions
• Name		
• Benefit subject to burden of the Contracts		
• Trademarks		
Total Consideration	£15,000	£15,300

Terms:

- The Consideration will be payable in full on completion.
- The Transaction is on an Asset only basis.

4) INDEPENDENT ASSET VALUATION, MARKETING, AND EVIDENCE RELIED UPON

INDEPENDENT VALUATION

The Proposed Administrator has provided me (on a confidential basis) with a copy of an Asset Valuation Report dated 21 February 2024 that has been prepared by a RICS regulated surveyor from Sanderson Weatherall LLP ("SW").

I have also had sight of a Letter from SW dated 21 February 2024 which sets out a recommendation in relation to the Relevant Property.

MARKETING

The Proposed Administrators have provided information with regards to the level of marketing activity that has been completed in relation to the relevant property which is summarised as follows:

SW commenced an accelerated sales process on behalf of the Disposing Company on 13 February 2024 when an initial teaser document was sent to 639 potential interested parties via Eblast and the opportunity was published on IP-Bid.com and SW's website.

From the activity, six expressions of interest were received and six Non-Disclosure Agreements were sent to interested parties, of which five were returned. These parties were subsequently provided with further information relating to the opportunity.

A deadline by which Offers should be submitted was set for 19 February 2024.

The Proposed Transaction reflects the final offers made by the Connected Persons to purchase the Relevant Property.

EVIDENCE RELIED UPON

In undertaking my review of the Proposed Transaction and reaching the opinion below, I have relied upon the following information and evidence that has been provided to me by the Proposed Administrators. No detailed audit or verification of the information or evidence provided has been undertaken.

- J9 Advisory Information Pack
- Company Financial Information
- Draft Sale & Purchase Agreements
- Valuation Letter from SW
- Recommendation email from SW
- Correspondence with the Proposed Administrators
- Correspondence with the Connected Persons and their Lawyers Squire Patton Boggs

5) OPINION ON THE PROPOSED TRANSACTION

OPINION

In accordance with Regulation 7 of the Regulations, am satisfied that the consideration to be provided for the Relevant Property, and the grounds for the substantial disposals, are reasonable in the circumstances.

In arriving at this opinion, I have considered all of the information that has been provided to me, and I have also considered the commercial benefit to the Proposed Administrators of completing the Proposed Transaction including:

- The total consideration that is being proposed and payable in full on completion.
- The level of marketing that has been completed and level of interest received.
- The “moth-balled” position of the businesses.
- The comments made by Sanderson Weatherall in their Recommendation letter.
- Completion of the Proposed Transaction mitigates against the downside risk that would be associated with progressing the option an auction sale of the Relevant Property which would incur increased Administrators costs.

For the avoidance of doubt, I express no opinion as to whether PII Investments Limited is, or will in the future remain a going concern, neither do I express an opinion on any decision made by the Proposed Administrators of Entertainment Alliance (UK) Limited and Market Place Solutions Worldwide LLP to enter into a Connected Party Transaction. These are matters for the Proposed Administrators to determine.



Johnny Abraham FCA
Managing Director
J9 Advisory Limited