

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 0 1 2 8 7 1 1

Company name in full Studio SR Limited

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Court details

Court name High Court of Justice Business and Property Courts  
of England and Wales

Court case number 0 0 8 5 7 5 2 0 1 9

### 3 Administrator's name

Full forename(s) Sean

Surname Bucknall

### 4 Administrator's address

Building name/number 3rd Floor

Street 37 Frederick Place

Post town Brighton

County/Region Sussex

Postcode B N 1 4 E A

Country

# AM22

Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	Elias	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Paourou	

<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	3rd Floor	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	37 Frederick Place	
Post town	Brighton	
County/Region	Sussex	
Postcode	B N 1 4 E A	
Country		

<b>7</b>	<b>Appointor/applicant's name</b>	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	The	
Surname	Directors	

<b>8</b>	<b>Proposed liquidator's name</b>	
Full forename(s)	Sean	
Surname	Bucknall	
Insolvency practitioner number	1 8 0 3 0	

<b>9</b>	<b>Proposed liquidator's address</b>	
Building name/number	3rd Floor	
Street	37 Frederick Place	
Post town	Brighton	
County/Region	Sussex	
Postcode	B N 1 4 E A	
Country		

## AM22

Notice of move from administration to creditors' voluntary liquidation

**10** Proposed liquidator's name <sup>①</sup>

Full forename(s)	Elias
Surname	Paourou
Insolvency practitioner number	9 0 9 6 [ ] [ ] [ ] [ ]

**① Other liquidator**

Use this section to tell us about another liquidator.

**11** Proposed liquidator's address <sup>②</sup>

Building name/number	3rd Floor
Street	37 Frederick Place
Post town	Brighton
County/Region	Sussex
Postcode	B N 1 [ ] 4 E A [ ]
Country	


**② Other liquidator**

Use this section to tell us about another liquidator.

**12** Period of progress report

From date	<sup>d</sup> 0 <sup>d</sup> 8	<sup>m</sup> 0 <sup>m</sup> 7	<sup>y</sup> 2 <sup>y</sup> 0	<sup>y</sup> 2 <sup>y</sup> 0
To date	<sup>d</sup> 1 <sup>d</sup> 7	<sup>m</sup> 1 <sup>m</sup> 2	<sup>y</sup> 2 <sup>y</sup> 0	<sup>y</sup> 2 <sup>y</sup> 0

**13** Final progress report☒ I have attached a copy of the final progress report.**14** Sign and date

Administrator's signature	<div>Signature</div> 	X		
Signature date	<sup>d</sup> 1 <sup>d</sup> 7	<sup>m</sup> 1 <sup>m</sup> 2	<sup>y</sup> 2 <sup>y</sup> 0	<sup>y</sup> 2 <sup>y</sup> 0

**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 Simpson**

Company name **Quantuma Advisory Limited**

Address  
**3rd Floor**  
**37 Frederick Place**

Post town **Brighton**

County/Region **Sussex**

Postcode **B N 1 4 E A**

Country

DX

Telephone **01273 322400**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

In the High Court of Justice Business and Property Courts of England and Wales CR-2020-008575

Studio SR Limited Trading As: Les Girls Les Boys  
(In Administration)

**The Joint Administrators' Final Progress Report to 17 December 2020**

Sean Bucknall

Elias Paourou

Quantuma Advisory Limited

3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA

01273 322400

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Sean Bucknall and Elias Paourou were appointed Joint Administrators of Studio SR Limited Trading As: Les Girls Les Boys on 08 January 2020. 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.

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## DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	Sean Bucknall and Elias Paourou of Quantuma Advisory Limited
The Company	Studio SR Limited Trading As: Les Girls Les Boys (in Administration)
The Court	High Court of Justice Business and Property Courts of England and Wales 008575
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 8 July 2020 to 17 December 2020
The Purchaser	AYA Design Group Limited

## 1 INTRODUCTION

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our last report dated 30 July 2020.

Please be aware that on 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited.

A schedule of statutory information in respect of the Company is attached at Appendix I.

The report has been prepared in accordance with insolvency legislation to provide members and creditors, the Registrar of Companies and the Court with details of the progress made during the Review Period, and with an overview of the conduct of the Administration and summary of the information provided in the progress report that has been issued during the Administration. Copies of these reports are available on request.

The Joint Administrators' proposals were approved by creditors on 5 March 2020. A formal notice confirming this was sent to all creditors on 9 March 2020. Attached at Appendix II is a summary of the Joint Administrators Proposals, as approved.

### Details of the appointment of the Joint Administrators

Sean Bucknall and Elias Paourou of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 08 January 2020.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

## 2 THE PROGRESS OF THE ADMINISTRATION

The **Joint Administrators'** final receipts and payments account

Attached at Appendix III is a receipts and payments account covering the period from 8 July 2020 to 17 December 2020 together with a summary of the transactions in the previous review period.

In this section, we have summarised the main asset realisations during the Review Period and in the Administration as a whole, together with details of the associated costs incurred. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix V.

Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Drafting and issuing the progress report to creditors;
- Considering which exit route from Administration is appropriate and drafting this final report;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;

- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

## Realisation of assets

### Sale of assets to a connected party

As previously reported, a sale of the business and assets was completed on 8 January 2020 with the Purchaser for a total consideration of £600,000 as follows:

Asset	Amount (£)
Goodwill & Intellectual Property (fixed charge)	200,000
The Stock (floating charge)	390,000
The Equipment (floating charge)	10,000
Total	£ 600,000

Ms Serena Rees, who was a director and shareholder of the Company, is a director and sole shareholder of the Purchaser.

### The Business, Goodwill & Intellectual Property

The Business including the trading name of "Les Girls Les Boys" and its associated website, including all clothing design rights, websites and e-commerce platforms was sold for a total consideration of £200,000.

A further consideration payment of 5% of the total revenue before any deductions for costs of sales and/or expenses (excluding VAT) shall be payable to the Joint Administrators in the event that:

1. During the first twelve months from the transfer date (year one), sales exceed £2million; and/or
2. During the following twelve months (year two) sales exceed £4.6million

Finally, in the event that the purchasing company sells any part of business and/or assets (excluding the sale of stock during the normal course of business) or conducts a sale of shares within 18 months of the Sale, the purchasing company will be liable to pay an additional amount, in cash equating to 50% of the consideration for the sale which exceeds £2million.

### The Stock

The Stock included all stock in trade, finished goods and raw materials, other than any items which have been invoiced but not delivered to customers and any stock subject to retention of title and was sold for a total consideration of £390,000.

### The Equipment

The Equipment consisted of ten iMacs, an iPad, a HP desktop and a Lenovo Yoga Laptop and was sold for a total consideration of £10,000.



## Sale Consideration

The sale consideration totalled £600,000 and required £200,000 to be paid sixty days after the transfer date, followed by eleven monthly payments of £33,333 with a final payment of £33,337 fourteen months after the transfer date.

The Joint Administrators have been pursuing the deferred consideration from the Purchaser however, only £6,074 has been received to date.

Payment of the deferred consideration has been affected by the recent lockdowns imposed following the outbreak of COVID-19 with the Purchaser advising the Joint Administrators that this had had a seismic impact on the cash-flow projections of the Purchaser which has inevitably impacted on its ability to adhere to projected budgets and deadlines for payment of the deferred consideration.

The Purchaser also advised that due to the pandemic it has lost all meaningful wholesale income streams and has had to refocus on its ecommerce and direct retail sales and, although this change in sales strategy has not been able to compensate for the loss of wholesale sales.

In addition, the Purchaser was ineligible for both the Coronavirus Business Interruption Loan Scheme and any bounce-back loans.

The Joint Administrators have therefore been in correspondence with the director and her accountant in respect of the personal guarantee provided for the consideration.

The Director has been seeking to refinance personal assets in order to meet the sale consideration. This refinancing has, however, incurred delays due to the pandemic. Disclosure has been provided by the Director's accountant in respect of the steps taken to raise funding from her personal assets along with disclosure in respect of her assets and liabilities. Given that the Director is actively seeking to raise finance in order to meet the obligations owed under her personal guarantee and the current economic climate, some forbearance has been provided to the Director in order that she being given the opportunity to continue discussions with lenders to raise funds. The Administrators have the benefit of a personal guarantee and can look to enforce this should funds not be forthcoming.

Under the terms of the sale agreement interest is accruing at the rate of 10% per annum from the due date until payment with interest accruing on a daily basis and compounded monthly. Interest due on the arrears has been calculated at £26,852 to the date of this report.

## Factored Book debts

As previously reported the Company factored the majority of its book debts, and as a result they were held as security by Lloyds Bank Commercial Finance Limited.

On 31 March 2020, Lloyds Bank Commercial Finance Limited reassigned the remaining debtor ledger balances back to the Company as follows:

Debtor Ledger	Amount
Sterling Ledger	£6,280.54
Euro Ledger	€10,168.00
US Dollar Ledger	\$17,135.17

Of these reassigned debtors the Joint Administrators have recovered the sum of \$20,629.

A total of £66,027 has been recovered by Lloyds Bank Commercial Finance and the Joint Administrators. No further realisations are expected as the sterling ledger balance of £6,280.54 has been written-off following an agreed settlement of a debtor account pre-administration. The

euro ledger balance of €10,168.00 following agreed credit notes and returns previously agreed with this debtor.

#### Book Debts (Online Sales)

As previously reported the Joint Administrators have received the sum of £7,468 in relation to online sale debtors which were being held by merchant services provider.

#### Other Book Debts

Certain book debts were not factored with Lloyds Bank Commercial Finance Limited, or had been reassigned back to the Company prior to the Joint Administrators' appointment of which it was estimated that £15,000 would be recoverable.

During the Review Period the Joint Administrators have recovered a total of £280 in respect of these debtors, bringing the total recovery to £30,922.

#### Cash at Bank

As previously reported the Joint Administrators have recovered the petty cash balance held by the Company and credit balances held in PayPal accounts amounting to £1,379.

#### Rent Deposits

As previously reported the Joint Administrators have recovered £579 in relation to a rent deposit.

#### Pre-Payments

During the Review Period the Joint Administrators have received £10 in relation to funds held in a solicitor client account.

In addition, £668 has been recovered in respect of refund due upon the cancellation of an insurance policy.

#### Estimated future realisations

#### Deferred Sale Consideration

There is a total of £593,626 due from the Purchaser in respect of the deferred sale consideration of the business and certain assets.

Of this amount, the sum of £100,003 is currently not due and is to be paid over 3 monthly instalments ending in March 2021.

The remaining amount £493,923 is overdue and, as stated earlier in this report and the Joint Administrators are currently liaising with the Purchaser, the director and its accountants regarding payment of this balance, together with interest.

#### Other Book Debts

Of the remaining book debts, a couple relate to sale-or-return items and are unlikely to be recovered and another debtor has claimed set-off. As a result the Joint Administration estimate that a further £1,080 of debtors may be recoverable.

### Costs incurred but remaining unpaid

The following table summarises the costs incurred, but which as yet remain unpaid:

Cost Description	Amount £
Agents' Fees	12,224.80
Legal fees	1,334.50
TOTAL	13,559.30

These costs are included within the Estimated Outcome Statement at Appendix III, as they will be discharged from the liquidation estate funds.

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 6 below.

## 3 CREDITORS: CLAIMS AND DISTRIBUTIONS

### Secured creditors

The Company granted a fixed and floating charge to Lloyds Bank Commercial Finance Limited on 24 September 2019, which included a fixed charge over the Company's book debts.

As previously reported Lloyds Bank Commercial Finance Limited were collecting in the book debts secured under its fixed charge.

After collection, factoring and termination fees the balance due to Lloyds Bank Commercial Finance Limited amounted to £49,392 and this sum has been repaid in full from debtor collections.

The Company also granted a fixed and floating charge to Lloyds Bank plc on 12 May 2017, who was owed £270,522 on appointment.

No distribution has been made to Lloyds Bank plc during the Review Period however it is currently estimated that there will be sufficient realisations from fixed and floating charge assets to pay Lloyds Bank plc in full.

### Preferential creditors

The Joint Administrators and their staff have incurred time costs in assisting the Company's pension provider in obtaining payment from the Redundancy Payments Office in respect of unpaid pension contributions.

Preferential claims relating to pension contributions were estimated at £3,194 in the Director's Estimated Statement of Affairs. Unpaid pension contributions have been confirmed to be £3,243. No dividend to preferential creditors has been paid.

It is anticipated that a dividend of 100p in the £ will be paid to preferential creditors during the liquidation.

### Prescribed Part

There were insufficient realisations to discharge in full all costs and preferential claims. Therefore, there was no net property from which to deduct a prescribed part.

## Unsecured creditors

Unsecured claims were estimated at £3,838,373 in the Director's Estimated Statement of Affairs. To date claims totalling £3,824,337 have been received from fifteen creditors.

A dividend to unsecured creditors is expected and this will be paid by the Joint Liquidators.

## Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Andy Simpson.

A Proof of Debt form is attached at Appendix VI.

## 4 INVESTIGATIONS

### Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 7 April 2020.

### Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

We confirm that we did not identify any further assets or actions which would lead to a recovery for creditors.

## 5 ETHICS

Please also be advised that Joint Administrator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

### General ethical considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified and the safeguards put in place to mitigate threats previously identified have been reviewed and they are effectively managing those threats.

### Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is 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.

Irwin Mitchell LLP were instructed prior to the Joint Administrators appointment to provide legal advice on the appointment of the Joint Administrators and the Sale and Purchase Agreement. It has outstanding time costs of £1,345 in relation to legal advice provided after the Joint Administrators' appointment.

## Other Information

### EC Regulations

The Company's centre of main interest was in [enter both trading address and registered office] and, therefore, it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined by Article 3 of the EC Regulations.

### General Data Protection Regulation

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

### Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally, the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information>.

## 6 THE JOINT ADMINISTRATORS' FEES AND EXPENSES

### Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs.

These costs were approved as detailed below:

Party instructed	Amount approved £	Date approved
Quantuma Advisory Limited	25,000.00	1 April 2020
Lambert Smith Hampton	12,224.80	1 April 2020
Irwin Mitchell Solicitors	15,090.05	1 April 2020
TOTAL APPROVED	52,314.85	

During the Review Period the balance of costs of Quantuma Advisory Limited and Irwin Mitchell Solicitors have been discharged.

## The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 1 April 2020 by the resolution of creditors as follows:

1. That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.

A fee estimate of £50,002 as provided to creditors, however the resolution passed on 1 April 2020 included an initial cap of £25,000 on the Joint Administrators fees.

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix IV. A detailed narrative explanation of the time-costs during the Review Period is provided at Appendix V.

"A Creditors' Guide to Administrators' Remuneration" effective from 6 April 2017 is available for download at <http://www.quantuma.com/guide/creditors-guide-fees> together with Quantuma's Schedule of Current Charge Out Rates and Chargeable Disbursements.

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

### Comparison of estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
Work category	No. of hours	Blended hourly rate £ per hour	Total fees £	No. of hours	Average hourly rate £ per hour	Total time costs £	No. of hours	Average hourly rate £ per hour	Total time costs £
Administration and Planning	39.40	280.19	11,039.50	8.90	302.81	2,695.00	31.20	251.55	7,848.50
Creditors	77.40	227.81	17,632.50	16.80	286.70	4,816.50	81.55	234.09	19,090.25
Investigations	18.10	223.81	4,051.00	2.90	281.72	817.00	17.70	180.48	3,194.50
Realisation of Assets	50.70	281.29	14,261.50	11.20	358.35	4,013.50	75.70	292.29	22,126.50
Cashiering	18.00	151.81	2,732.50	4.00	195.00	780.00	13.10	170.04	2,227.50
Closing Procedures	1.30	219.23	285.00	-	-	-	-	-	-
<b>TOTAL</b>	<b>204.90</b>	<b>244.03</b>	<b>50,002.00</b>	<b>43.80</b>	<b>299.59</b>	<b>13,122.00</b>	<b>219.25</b>	<b>248.52</b>	<b>54,487.25</b>

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal costs	5,000.00	-	1,344.50	
Accounting fees	2,000.00	-	-	
Advertising	91.00	-	91.00	
Bonding	135.00	-	135.00	
Postage	98.72	-	49.36	
Category 2 expenses				
Stationery	51.00	-	25.50	
Photocopying	100.00	-	51.00	

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
AML Searches	12.00	-		
TOTAL	7,487.72	-	1,696.36	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Appendix IV.

As can be seen above:

- the original fees estimate has been exceeded; and
- the original expenses estimate has not been exceeded

The main reason why the fees estimate has been exceeded is due additional time spent in correspondence with the Purchaser regarding non-payment of the deferred consideration due under the Sale & Purchase Agreement. However, creditors passed a decision to provide for an initial cap on the Joint Administrators fees at £25,000. The Joint Administrators do not propose draw fees in excess of this cap at however they will review the position as regards fees when the prospects of realising the remaining assets become clearer.

#### **Payment of the Joint Administrators' unpaid fees and costs**

In accordance with the Insolvency Act 1986, all unpaid fees (subject to any approved fees estimate) and costs, as described in the sections above, are charged on and payable out of the Company's property. Thus, the Joint Liquidators will be responsible for discharging these sums from the assets and funds handed over to them by the Joint Administrators.

#### **Creditors' right to request information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

#### **Creditors' right to challenge fees and/or expenses**

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

## **7 THE OUTCOME OF THE ADMINISTRATION**

### **Comparison of the outcome with the Joint Administrators' Proposals**

Attached at Appendix II is a summary of the Joint Administrators' Proposals as approved.


It had been envisaged that the second Administration objective would be achieved, namely that there would be a better result for creditors as a whole than would be likely if the Company were

wound up (without first being in Administration). As outlined within this report, it can be seen that this Administration objective was achieved.

The balance in the Joint Administrators' account of £10,901, together with control of the remaining assets yet to be realised [and claims to be progressed] as described above, is being transferred to the Joint Liquidators. An Estimated Outcome Statement as at 17 December 2020 is attached at Appendix III. This illustrates the anticipated outcome of the subsequent liquidation.

The Joint Administrators are now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix II, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators will be appointed Joint Liquidators.

If you require any further information please contact Andy Simpson on 01273 322400.

  
Sean Bucknall  
Joint Administrator



STATUTORY INFORMATION

Company Name	Studio SR Limited Trading As: Les Girls Les Boys
Previous Names	SRStudio @ 18 Limited
Proceedings	In Administration
Court	High Court of Justice Business and Property Courts of England and Wales
Court Reference	CR-2019-008575
Date of Appointment	08 January 2020
Joint Administrators	Sean Bucknall Elias Paourou Quantuma Advisory Limited 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Registered office Address	c/o Quantuma Advisory Limited 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Company Number	10128711
Appointment by	The Directors of Studio SR limited of Unit 1.1. Lafone House, The Leather Market, 11/13 Weston Street, London SE1 3ER

Studio SR Limited Trading As: Les Girls Les Boys  
(IN ADMINISTRATION)

APPENDIX II

THE JOINT **ADMINISTRATORS' PROPOSALS, AS APPROVED**

Schedule of Agreed Proposals of  
Studio SR Limited t/a Les Girls Les Boys **(in Administration) ("the Company")**  
**in accordance with the Insolvency Act 1986 ("the Act") and the Insolvency (England & Wales) Rules 2016 ("the Rules")**

The following summary Statement of Proposals were approved by creditors on 5 March 2020:

In order to achieve the purpose of the Administration:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
  - (i) They collect the deferred sale consideration in relation to the sale of the Company's business and assets;
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the 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 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, Sean Bucknall and Elias Paourou will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator; or
  - (ii) 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, Sean Bucknall and Elias Paourou may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator;
  - (iii) however, in the unlikely 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;

Studio SR Limited Trading As: Les Girls Les Boys  
(IN ADMINISTRATION)

APPENDIX III

**THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT**

Studio SR Limited Trading As: Les Girls Les Boys  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 08/07/2020 To 17/12/2020 £	From 08/01/2020 To 17/12/2020 £
	SECURED ASSETS		
200,000.00	Goodwill	NIL	6,073.97
		NIL	6,073.97
	SECURED CREDITORS		
(270,521.53)	Lloyds Bank plc	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
60,000.00	Book Debts	NIL	66,026.90
(47,890.83)	Lloyds Bank Commercial Finance Limit	NIL	(49,391.99)
		NIL	16,634.91
	ASSET REALISATIONS		
	Bank Interest Gross	1.28	8.06
15,000.00	Book Debts	279.87	30,921.59
	Book Debts (Online Sales)	NIL	7,468.41
1,379.00	Cash at Bank	NIL	1,378.97
10,000.00	Furniture & Equipment	NIL	NIL
NIL	Pre-Payments	10.32	678.32
Uncertain	Rent Deposits	NIL	578.80
390,000.00	Stock/WIP	NIL	NIL
		291.47	41,034.15
	COST OF REALISATIONS		
	Office Holders Disbursements	NIL	125.86
	Office Holders Fees	12,000.00	12,000.00
	Pre-Administration Costs	30,090.05	40,090.05
	Specific Bond	NIL	135.00
	Statutory Advertising	NIL	91.00
		(42,090.05)	(52,441.91)
	PREFERENTIAL CREDITORS		
(3,194.41)	Pension Schemes	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(948.42)	Banks/Institutions	NIL	NIL
(3,209,576.35)	Directors	NIL	NIL
(25,956.37)	HM Revenue and Customs	NIL	NIL
(601,891.72)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(3,483,600.63)		(41,798.58)	11,301.12
	REPRESENTED BY		
	Bank 1 Current		10,901.12
	Vat Receivable		400.00
			11,301.12

Sean Bucknall  
Joint Administrator

Studio SR Limited Trading As: Les Girls Les Boys  
(IN ADMINISTRATION)

APPENDIX III ctd

ESTIMATED OUTCOME STATEMENT FOR THE LIQUIDATION

STUDIO SR LIMITED ('THE COMPANY') - IN ADMINISTRATION  
ESTIMATED OUTCOME STATEMENT AS AT 17 DECEMBER 2020

	Statement of Affairs £	Realised / Paid to date £	Estimated Future Receipts & Costs £	Estimated Final Outcome £
<b>ASSETS</b>				
<b>Subject to a Fixed Charge</b>				
Book Debts	60,000	66,027	-	66,027
Secured Creditors - Lloyds Bank Commercial Finance Limited	(47,891)	(49,392)	-	(49,392)
Estimated surplus / (deficit) as regards fixed charge holder	<u>12,109</u>	<u>16,635</u>	<u>-</u>	<u>16,635</u>
 Goodwill, Trademarks & Intangible Assets	 200,000	 6,074	 193,926	 200,000
Pre-Administration Fees (Quantuma LLP)	-	(3,692)	-	(3,692)
Pre-Administration Fees (Solicitors)	-	(4,131)	-	(4,131)
Pre-Administration Fees (Agents)	-	-	(4,075)	(4,075)
Secured Creditors - Lloyds Bank plc	(270,522)	-	(270,522)	(270,522)
Estimated surplus / (deficit) as regards fixed charge holder	<u>(70,522)</u>	<u>(1,749)</u>	<u>(80,670)</u>	<u>(82,419)</u>
 <b>Subject to a Floating Charge</b>				
Computer & Office Equipment	10,000	-	10,000	10,000
Stocks	390,000	-	390,000	390,000
Prepayments	-	678	-	678
Other Debtors	15,000	30,922	1,080	32,002
Online Sales Receipts	-	7,468	-	7,468
Deposits	Uncertain	579	-	579
Cash at Bank and in Hand	1,379	1,379	-	1,379
Antecedent Transactions	-	-	-	-
Floating Charge Funds in hand / estimated to be received	<u>416,379</u>	<u>41,026</u>	<u>401,080</u>	<u>442,106</u>
 <b>Costs of Realisations</b>				
Pre-Administration Fees (Quantuma LLP)	-	(21,308)	-	(21,308)
Pre-Administration Fees (Solicitors)	-	(10,959)	-	(10,959)
Pre-Administration Fees (Agents)	-	-	(8,150)	(8,150)
Joint Administrators' Fees	-	(12,000)	(13,000)	(13,000)
Joint Administrators' Disbursements	-	(352)	(397)	(397)
Joint Liquidators' Fees	-	-	(15,014)	(15,014)
Joint Liquidators Disbursements	-	-	(432)	(432)
Legal Fees (Post Appointment)	-	-	(5,000)	(5,000)
Accountancy Fees	-	-	(2,000)	(2,000)
Gross Bank Interest	-	8	-	-
Corporation Tax	-	-	-	-
VAT Reclaimable	-	(400)	400	-
Floating Charge Funds in hand / estimated to be received	<u>416,379</u>	<u>(3,985)</u>	<u>357,487</u>	<u>365,846</u>
 Surplus b/d from Fixed Charge Assets	 12,109	 14,886	 -	 16,635
 <b>LIABILITIES</b>				
<b>Preferential Creditors</b>				
Pension Contributions	(3,194)	-	(3,243)	(3,243)
Net Property	425,294	10,901	354,244	379,238
Estimated available to unsecured creditors via the Prescribed Part	(88,059)	-	-	(78,848)
Estimated balance available to Floating Charge Holder	<u>337,235</u>	<u>10,901</u>	<u>354,244</u>	<u>300,390</u>
Fixed Charge Deficit b/d (Lloyds Bank plc)	(70,522)	-	-	(82,419)
Surplus/(Shortfall) to Unsecured	<u>266,713</u>	<u>10,901</u>	<u>354,244</u>	<u>217,971</u>
 Prescribed Part Balance available to unsecured Creditors	 88,059	 -	 -	 78,848
Balance available for Unsecured Creditors	<u>354,772</u>	<u>10,901</u>	<u>354,244</u>	<u>296,819</u>
 <b>Unsecured Creditors:</b>				
HM Revenue & Customs	(25,956)	-	-	(26,010)
Trade & Expense Creditors	(601,892)	-	-	(612,869)
Default Judgment Creditor	-	-	-	(399,247)
Other Financial Institutions	(948)	-	-	(948)
Director Loan Account Balance	(3,209,576)	-	-	(3,201,582)
Estimated Surplus/(Deficiency) to Unsecured Creditors	<u>(3,483,601)</u>	<u>10,901</u>	<u>354,244</u>	<u>(3,943,839)</u>

Studio SR Limited Trading As: Les Girls Les Boys  
(IN ADMINISTRATION)

APPENDIX IV

**THE JOINT ADMINISTRATORS' TIME COSTS**



## Time Entry - Detailed SIP9 Time & Cost Summary

6005351 - Studio SR Limited

From: 08/07/2020 To: 17/12/2020

Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
103 : IPS Case / File set up/ Filing	0.00	0.00	0.00	0.10	0.10	10.00	100.00
104 : General Administration	0.00	0.50	1.90	0.00	2.40	692.50	288.54
105 : Case strategy / Review	1.10	0.80	2.70	0.00	4.60	1,542.50	335.33
106 : VAT & CT matters and returns	0.00	0.90	0.90	0.60	1.80	450.00	250.00
Admin & Planning	1.10	1.90	5.20	0.70	8.90	2,695.00	302.81
600 : Cashiering	0.30	0.00	1.00	2.70	4.00	780.00	195.00
Cashiering	0.30	0.00	1.00	2.70	4.00	780.00	195.00
203 : Creditor correspondence / Call	0.00	0.50	2.00	0.00	2.50	720.00	288.00
204 : Unsecured Creditors claims	0.00	0.00	0.30	0.00	0.30	82.50	275.00
204A : Dealing with Pension Schemes	0.00	0.00	3.10	0.00	3.10	852.50	275.00
206 : Final report	0.00	0.00	2.80	0.00	2.80	770.00	275.00
207C : Dealing with HMRC/RPO Claims	0.00	0.00	0.30	0.00	0.30	82.50	275.00
210 : Secured creditor reports / claims	0.00	0.00	0.20	0.00	0.20	55.00	275.00
211 : Annual / Progress report	0.80	0.00	6.80	0.00	7.60	2,254.00	296.58
Creditors	0.80	0.50	15.50	0.00	16.80	4,816.50	286.70
300A : SIP 2 Review	0.00	0.30	2.60	0.00	2.90	817.00	281.72
Investigations	0.00	0.30	2.60	0.00	2.90	817.00	281.72
405 : Debtors	0.00	0.10	4.30	0.00	4.40	1,216.50	276.46
406 : Sale of Business	4.30	0.70	1.80	0.00	6.80	2,797.00	411.32
Realisation of Assets	4.30	0.80	6.10	0.00	11.20	4,013.50	358.35
Total Hours	6.50	3.50	30.40	3.40	43.80	13,122.00	299.59
Total Fees Claimed						12,000.00	

## Time Entry - Detailed SIP9 Time & Cost Summary

6005351 - Studio SR Limited

From: 08/01/2020 To: 17/12/2020

Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100A : Initial Statutory & General Notifications & Filing	1.00	1.00	2.20	0.00	4.20	1,058.00	251.90
101 : Insurance / Bonding	0.00	0.00	0.20	0.10	0.30	52.50	175.00
103 : IPS Case / File set up/ Filing	0.00	0.00	0.20	0.10	0.30	49.00	163.33
104 : General Administration	0.00	0.70	5.10	0.20	6.00	1,721.50	249.49
105 : Case strategy / Review	1.80	5.00	10.40	0.00	17.20	4,406.00	256.16
106 : VAT & CT matters and returns	0.00	0.80	0.80	0.60	2.30	561.50	244.13
Admin & Planning	3.70	7.50	19.00	1.00	31.20	7,848.50	251.55
600 : Cashiering	0.40	0.20	3.20	9.30	13.10	2,227.50	170.04
Cashiering	0.40	0.20	3.20	9.30	13.10	2,227.50	170.04
201 : Creditors	0.00	0.00	2.50	0.00	2.50	487.50	195.00
203 : Creditor correspondence / Call	3.00	3.70	10.00	0.00	16.70	4,266.00	255.45
204 : Unsecured Creditors claims	0.00	2.10	1.60	0.00	3.70	900.50	243.38
204A : Dealing with Pension Schemes	0.10	0.20	4.70	3.00	8.00	1,567.00	195.88
206 : Final report	0.00	0.00	2.80	0.00	2.80	770.00	275.00
207C : Dealing with HMRC/RPO Claims	0.00	0.20	0.70	1.00	1.90	318.50	167.63
209 : Creditors meetings	0.00	0.00	2.20	0.00	2.20	429.00	195.00
210 : Secured creditor reports / claims	0.00	0.50	1.00	0.00	1.50	343.50	229.00
211 : Annual / Progress report	0.80	0.00	6.80	0.00	7.60	2,254.00	296.58
212 : Initial Appointment Notifications to Creditors	0.00	3.50	2.50	1.75	7.75	1,598.75	206.29
213 : Interim Fee Report to Creditors	0.00	0.40	5.00	0.00	5.40	1,081.00	200.19
214 : SIP 16 Disclosure	4.00	0.00	3.80	0.00	7.80	2,221.00	284.74
215 : Para 49 Administrators' Proposals	0.00	2.50	10.20	0.00	12.80	2,678.00	209.22
216 : Para 53 Report of Initial Meeting/Deemed Approval	0.00	0.00	0.90	0.00	0.90	175.50	195.00
Creditors	7.90	13.20	54.70	5.75	81.55	19,090.25	234.09

Time Entry - Detailed SIP9 Time & Cost Summary

6005351 - Studio SR Limited  
From: 08/01/2020 To: 17/12/2020  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
300A : SIP 2 Review	0.00	0.50	8.60	2.00	11.10	2,250.00	202.70
301 : CDDA Reports	0.10	0.00	2.50	4.00	6.60	944.50	143.11
Investigations	0.10	0.50	11.10	6.00	17.70	3,194.50	180.48
401 : Freehold / Leasehold Property	0.00	0.00	1.30	0.00	1.30	253.50	195.00
405 : Debtors	0.50	2.00	26.50	0.00	29.00	6,322.00	218.00
406 : Sale of Business	29.40	9.50	3.60	1.00	43.50	15,058.00	346.16
407 : Goodwill	0.70	0.00	0.00	0.00	0.70	259.00	370.00
411 : Cash at Bank	0.00	0.00	1.20	0.00	1.20	234.00	195.00
Realisation of Assets	30.60	11.50	32.60	1.00	75.70	22,126.50	292.29
Total Hours	42.70	32.90	120.60	23.05	219.25	54,487.25	248.52
Total Fees Claimed						12,000.00	

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REVIEW PERIOD

Description of work undertaken	Includes
<u>ADMINISTRATION &amp; PLANNING</u>	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns
<u>CREDITORS</u>	
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator Corresponding with Pension Provider and Redundancy Payments Services regarding outstanding pension contributions
Final Reports	
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Request further information from claimants regarding POD
Dealing with HMRC/RPO claims	
Secured Creditor Reports/Claims	Seeking solicitors' advice on the validity of secured creditors' claims. Correspondence with secured creditors
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
<u>INVESTIGATIONS</u>	
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken
<u>REALISATION OF ASSETS</u>	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and arranging for reassignment of ledger Dealing with disputes, including communicating with directors/former staff

Description of work undertaken	Includes
Sale of Business	Pursuing deferred sale consideration
<u>CASHIERING</u>	
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House
<u>CLOSING PROCEDURES</u>	
Filing final statutory returns at Companies House/Court	

Current Charge-out Rates of the staff who have worked on the case

#### Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates may have been subject to periodic increase.

Staff	Charge out rates £
Directors	480
Senior Manager	340
Assistant Manager	275
Case Accountant	135
Junior Administrator	135
Support Staff/Executive Assistant	100

Studio SR Limited Trading As: Les Girls Les Boys  
(IN ADMINISTRATION)

APPENDIX VI

PROOF OF DEBT

PROOF OF DEBT - GENERAL FORM

Studio SR Limited Les Girls Les Boys (in Administration)

Date of Administration: 8 January 2020

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> <li>For UK companies: its registered number</li> <li>For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£ ) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category  Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.:  Account Name:  Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO