

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A9ZK29AJ

A08

04/03/2021

#10

COMPANIES HOUSE

1 Company details

Company number

Company name in full

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

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

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

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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



AM10

Notice of administrator's progress report

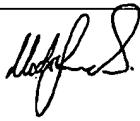
6 Period of progress report

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7 Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

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Signature date

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**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 **Glenn Adams**

Company name **Quantuma Advisory Limited**

Address **1st floor**

21 Station Road

Post town **Watford**

County/Region **Herts**

Postcode **W D 1 7 1 A P**

Country

DX

Telephone **01923 954170**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



Clear Artificial Intelligence Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 05/08/2020 To 04/02/2021 £	From 05/08/2020 To 04/02/2021 £
	SECURED ASSETS		
Uncertain	Intellectual Property	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	0.27	0.27
Uncertain	Cash at Bank	19,609.34	19,609.34
Uncertain	Debtors	NIL	NIL
Uncertain	Deposit - Rent	NIL	NIL
Uncertain	Furniture & Equipment	NIL	NIL
Uncertain	VAT Refund	NIL	NIL
		19,609.61	19,609.61
	COST OF REALISATIONS		
	AML Search Fee	3.00	3.00
	Legal Fees (1)	3,307.36	3,307.36
	Postage	177.84	177.84
	Pre Appointment Fee	10,000.00	10,000.00
	Specific Bond	135.00	135.00
	Statutory Advertising	84.60	84.60
	Storage Costs	105.01	105.01
		(13,812.81)	(13,812.81)
	PREFERENTIAL CREDITORS		
(20,000.00)	Employee Wage Arrears	NIL	NIL
(97,457.00)	Employees Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(300,482.00)	Employees Notice Pay	NIL	NIL
(9,684.00)	Employees Redundancy	NIL	NIL
(655,840.00)	Employees Wage Arrears	NIL	NIL
(19,320.00)	HM Revenue and Customs - Corporati	NIL	NIL
(64,829.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
(234,297.00)	Trade & Expense Creditors	NIL	NIL
(1,065,393.00)	US Investors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(26.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,467,328.00)		5,796.80	5,796.80
	REPRESENTED BY		
	Bank 1 Current		3,044.24
	Vat Receivable		2,752.56
			5,796.80

Nicholas Simmonds
Joint Administrator

Clear Artificial Intelligence Limited

(In Administration)

("the Company")

In the High Court of Justice - Business and Property Courts 003267

THE JOINT ADMINISTRATORS' PROGRESS REPORT FOR THE PERIOD 5 AUGUST 2020 TO 4 FEBRUARY 2021

1 March 2021

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.

Nicholas Simmonds and Chris Newell of Quantuma Advisory Limited, 1st floor, 21 Station Road, Watford, Herts, WD17 1AP, were appointed Joint Administrators of Clear Artificial Intelligence Limited on 05 August 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.

Nicholas Simmonds is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association and Chris Newell is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association



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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Administrators"	Nicholas Simmonds and Chris Newell of Quantuma Advisory Limited
"the Company"	Clear Artificial Intelligence Limited (in Administration)
"the Court"	High Court of Justice - Business and Property Courts 003267
"EOS"	Estimated Outcome Statement
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 5 August 2020 to 4 February 2021

INTRODUCTION S

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our appointment as Joint Administrators on 5 August 2020.

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

The Joint Administrators' proposals were deemed approved. A formal notice confirming this was sent to all creditors on 24 September 2020.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

Details of the appointment of the Joint Administrators

Nicholas Simmonds and Chris Newell of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 05 August 2020.

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

PROGRESS OF THE ADMINISTRATION

The Joint Administrators' receipts and payments account

Attached at Appendix 2 is a receipts and payments account for the Review Period.

An EOS as at 23 September 2020 is attached at Appendix 3.

The rest of this report describes the key developments in the Administration over the Review Period.

For a detailed list of work undertaken by the Joint Administrators during the Review Period, see Appendix 4.

We have also summarised the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

Administrative, Statutory & Regulatory Tasks

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:

- Informing all relevant persons of the commencement of the Administration, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Issuing the Joint Administrators' Proposals, seeking relevant creditors' approvals and issuing notice of the outcome;
- Drafting and issuing the progress report to creditors;



-
- 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.
 - Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act.

Realisation of assets

Intellectual property

The Joint Administrators instructed Richard Birch & Company, who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available.

Tradeshift Holdings Inc. ("Tradeshift") contracted the Company to develop IP on its behalf. Upon administration Tradeshift expressed an interest in recovering / purchasing the Company's intellectual property. Tradeshift was invited to contact Richard Birch & Co direct to progress their interest. This matter is still on-going and is being progressed with our agent.

Tradeshift is considered a connected party as Ian Swycher, a former director of the Company, is on the board at Tradeshift.

Progression in this matter will be advised in the next report to creditors.

Gross Bank interest

During the Review Period, gross interest in the sum of £0.27 has accrued, which is held in an interest-bearing account.

Cash at bank

I have received the amount of £19,609.34 from Metro Bank Plc with regards to the cash left in the account. The bank account has now been closed. No further realisations are anticipated.

Book debts

The Company's debtor ledger had a book value of £986. It was noted as uncertain to realise on the directors' estimated Statement of Affairs ("SoA") as the Company's Director could not confirm if it remained outstanding.

During the Review Period, we reviewed the Company's online accounting software Xero to see if any debts remained outstanding. There remained one debt outstanding for the amount noted above. Letters have been sent to the debtor requesting payment, however we have not had a reply to date. Unfortunately it is not commercial to pursue this debt any further and therefore no realisations are expected in this regard.

Rent Deposit

The Company's landlord currently holds a rent deposit deed in the amount of £16,260 in relation to the Company's rent agreement for the address of 12 David Mews, Marylebone, London W1U 6EG. The landlord has advised that the Company is in rents arrears and will not return the rent deposit.

After a review of the Company records, the Joint Administrators instructed Brechers LLP who are an independent law firm to write to the landlord requesting the rent deposit be returned.

This matter is on-going.

Furniture & Equipment

The Joint Administrators instructed Richard Birch & Co as agents to value the Office Furniture & Equipment. They collected items from the Company's trading address including some lockers and laptops.

We are also aware that a number of laptops are being held by the Company's former employees, in which we are currently trying to collect with help from our agents.

Richard Birch & Co advised that the Company's laptops are currently blocked. This is due to cloud system that has been programmed into the laptops not being operational due to failing to keep up with the monthly subscription payments. Richard Birch & Co are currently trying to find another way in getting the laptops unblocked so they can market and sell them.

We are also aware of a number of laptops that not been returned by former staff members. This matter is being investigated.

VAT Refund

The Company's Accounts showed a VAT Refund figure with a value of £36,755, in which it was noted as uncertain to realise on the directors' estimated Statement of Affairs ("SoA").

During the Review Period, we reviewed the Company's online accounting software Xero to see if this amount still remains due. The amount that was on the VAT account to realise was £23,374.13. We are currently trying to obtain the invoices to support the VAT refund due to the Company. We are aware that HMRC are owed PAYE/NI and Corporation Tax and therefore these funds may be subject to Crown set-off. We will be liaising with HMRC in this regard.

Payments

A full schedule of payments made from the estate account is enclosed at **Appendix 2**.

The sum of £3.00 has been paid for AML Electronic Identification Search.

The sum of £3,307.36 plus VAT was paid to Brechers LLP in relation to Legal Fees incurred in assisting with the preparation of the relevant appointment documents and letters to the landlord regarding the retrun of the rent deposit..

The sum of £500 plus VAT was paid to IBB Law in relation to Legal Fees incurred in assisting with sending letters to the Company's management team.

The sum of £177.84 has been paid in relation to postage for sending our reports/letters to creditors.

The sum of £135 was paid to Aon Risk Solutions in respect of the Joint Administrators Bordereau.

The sum of £84.60 plus VAT was paid to Courts Advertising in relation to the Statutory Advertisement of the Joint Administrators appointment.

The sum of £105.01 plus VAT was paid to Total Data in relation to the collection of the Company's books and records.

Costs incurred but remaining unpaid

Included within the EOS at Appendix 3 are costs incurred during the Review Period, but which as yet remain unpaid. These costs are separately detailed below:

Cost Description	Amount (£)
Postage	5.89
Storage Costs	1.05
TOTAL	6.94

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 below.

CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

The Company has not got any secured creditors.

Preferential creditors

The Joint Administrators and their staff have incurred significant time costs in assisting employees to obtain payments from the Redundancy Payments Office.

Preferential claims relating to unpaid holiday pay and wage arrears were estimated at £117,457 in the Director's Estimated Statement of Affairs. I have not received a claim from the Redundancy Payments office to date.

At this stage, the prospect of a distribution becoming available to the preferential creditors is uncertain.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this administration.

Unsecured creditors

Unsecured claims were estimated at £2,349,845 in the Director's Estimated Statement of Affairs and to date 13 claims have been received from unsecured creditors totalling £3,083,202.13.

It is not currently anticipated that a dividend will be paid to unsecured creditors.

Claims process

Due to the uncertain distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Glenn.Adams@quantuma.com.

A Proof of Debt form is attached at Appendix 6.

OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

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 5 November 2020.

Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

After a review of the Company's bank statements we identified payments being made out of the Company's bank account in which need will need an explanation from Management Team/Directors.

If any of transactions that have been identified not be in line with the Company's trading and are identified as personal expenses, we will then seek to recover the amount paid.

Should creditors have any information in relation to the above which you feel we should be made aware of, please contact us as a matter of urgency.

General Data Protection Legislation



In compliance with general data protection legislation, 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>.

Information about this insolvency process may be found on the R3 website at www.creditorinsolvencyguide.co.uk.

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

Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment over the Review Period.

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.

PRE-ADMINISTRATION COSTS

Included within the Joint Administrators' Proposals dated 13 October 2020 was a Statement of Pre-Administration Costs.

These costs were approved on 13 October 2020 as detailed below:

Party instructed	Amount approved (£)	Amount paid (£)	Date paid (£)	Remain unpaid (£)
Quantuma Advisory Limited – Pre Appointment Fees	12,518.25	10,000.00	18/11/2020	2,518.25
Quantuma Advisory Limited – Pre Appointment Expenses	3.00	3.00	18/11/2020	Nil

Brechers LLP	2,800.00	2,800.00	28/10/2020	Nil
TOTAL APPROVED	15,321.25	12,803.00		2,518.25

THE JOINT ADMINISTRATORS' FEES AND EXPENSES

A copy of 'A Creditors Guide to Administrators' Fees' effective from 6 April 2017, together with the firm's current schedule of charge-out rates and chargeable disbursements, may be found at <http://www.quantuma.com/guide/creditors-guide-fees>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request at no cost.

The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 13 October 2020 by the resolution of creditors as follows:

"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"

No fees have been drawn to date.

We believe this case generally to be of average complexity and no extraordinary responsibility has to date fallen upon us as Joint Administrators.

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. The fee estimate covered the period to the end of the Administration.

For a detailed schedule of work undertaken by the Joint Administrators during the Review Period and for the period of the Administration as a whole, see Appendix 4. A detailed narrative list of the work undertaken during the Review Period is provided at Appendix 5.

Work category	Original Fees estimate			Actual time costs incurred during the Review Period		
	No. of hours	Blended hourly rate £ per hour	Total fees £	No. of hours	Average hourly rate £ per hour	Total time costs £
Admin & Planning	33.50	200.22	6,707.50	66.30	237.55	15,749.50
Cashiering	4.00	275.00	1,100.00	4.00	154.50	618.00
Closing Procedures	6.00	254.17	1,525.00	0.00	0.00	0.00
Creditors	51.50	211.31	10,882.50	106.79	229.13	24,469.15
Investigations	18.00	173.61	3,125.00	26.00	199.90	5,197.50
Realisation of Assets	9.50	220.53	2,095.00	25.60	301.09	7,708.00
Total	122.50	207.63	25,435.00	228.69	235.00	53,742.15

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 £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 expenses			
Insurance of Assets	400.00	-	
Postage	40.00	183.73	Higher than anticipated postage costs
Re-Direction of Mail	43.99	-	
Specific Bond	135.00	135.00	
Statutory Advertising	165.00	84.60	
Storage Costs	50.00	105.06	More records collected than anticipated
Category 2 expenses			
AML Electronic Identification Search	12.00	3.00	
Photocopying	25.00	-	
Stationery	30.00	-	
TOTAL	900.99	508.39	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in **Quantuma Advisory Limited's** current schedule of charge-out rates and chargeable disbursements referred to above. Creditors approved the payment of Category 2 disbursements on these bases on 13 October 2020.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate is unlikely to be exceeded.

The main reason why the fees estimate has been exceeded is due to ongoing asset realisations as detailed above together with the amount of time that has been spent liaising with former employees over their Redundancy Claims. However, given the limited realisations in this case to date, the Joint Administrators do not propose to draw fees in excess of the fees estimate at present. The Joint Administrators will review the position as regards fees when the prospects of realising the remaining assets become clearer.

Other professional costs

Solicitors

Brecher LLP were instructed on 24 June 2020 to provide legal advice to the Company and the proposed Administrators. Their total pre appointment costs amounted to £2,800 plus VAT in connection with the following activities:

- Preparation and review of the relevant appointment documents
- Filing of the documents at Court
-

An additional £7.36 was paid in respect of a Search Fee by Brechers LLP.

IBB Law were instructed on 24 June 2020 to provide legal advice to the Company and the proposed Administrators. Their fixed fee amounted to £500 plus VAT in connection with writing

to the Company's former management team in order for them to co-operate with the Joint Administrators.

Agents & Valuers

Richard Birch & Co were instructed on 24 June 2020 to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to provide advice in respect of the Company for its assets.

Their costs have been agreed on the basis of their standard sales commission rate 10% of asset realisations, plus disbursements and VAT. To date, no sale of any assets has taken place, and as such no fee has been paid to Richard Birch & Co.

All professional costs are reviewed and analysed before payment is approved.

Creditors' rights 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' rights 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.

CONCLUSION

The Administration will continue until the matters above have been finalised.

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-notice>.

Should you have any queries in regard to any of the above please do not hesitate to contact Glenn Adams on 01923 954172 or by e-mail at Glenn.Adams@quantuma.com



Nicholas Simmonds
Joint Administrator

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



**Clear Artificial Intelligence Limited
(IN ADMINISTRATION)**

STATUTORY INFORMATION

Company Name	Clear Artificial Intelligence Limited
Previous Names	Intermesh Technologies Limited
Proceedings	In Administration
Court	High Court of Justice - Business and Property Courts
Court Reference	Reference No. 003267 of 2020
Date of Appointment	05 August 2020
Joint Administrators	Nicholas Simmonds Chris Newell Quantuma Advisory Limited 1st floor, 21 Station Road, Watford, Herts, WD17 1AP
Joint Administrators' functions	All functions, duties and powers may be exercised by either one or both of the Joint Administrators
Registered office address	c/o Quantuma Advisory Limited 1st floor, 21 Station Road, Watford, Herts, WD17 1AP
Company Number	11412332
Incorporation Date	13/06/2018
Directors at date of Appointment	Roa Dileswera Adataala Vivek Venkatesh Iyer (Resigned) Ian Irvin Swycher (Resigned)
Directors' Shareholdings	Anzen Limited – 10 Shares Clear Holdings Limited – 16 Shares

**Clear Artificial Intelligence Limited
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 5 AUGUST 2020 TO 4 FEBRUARY 2021**

Clear Artificial Intelligence Limited

(In Administration)

Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 05/08/2020 To 04/02/2021 £	From 05/08/2020 To 04/02/2021 £
	SECURED ASSETS		
Uncertain	Intellectual Property	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	0.27	0.27
Uncertain	Cash at Bank	19,609.34	19,609.34
Uncertain	Debtors	NIL	NIL
Uncertain	Deposit - Rent	NIL	NIL
Uncertain	Furniture & Equipment	NIL	NIL
Uncertain	VAT Refund	NIL	NIL
		19,609.61	19,609.61
	COST OF REALISATIONS		
	AML Search Fee	3.00	3.00
	Legal Fees (1)	3,307.36	3,307.36
	Postage	177.84	177.84
	Pre Appointment Fee	10,000.00	10,000.00
	Specific Bond	135.00	135.00
	Statutory Advertising	84.60	84.60
	Storage Costs	105.01	105.01
		(13,812.81)	(13,812.81)
	PREFERENTIAL CREDITORS		
(20,000.00)	Employee Wage Arrears	NIL	NIL
(97,457.00)	Employees Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(300,482.00)	Employees Notice Pay	NIL	NIL
(9,684.00)	Employees Redundancy	NIL	NIL
(655,840.00)	Employees Wage Arrears	NIL	NIL
(19,320.00)	HM Revenue and Customs - Corporati	NIL	NIL
(64,829.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
(234,297.00)	Trade & Expense Creditors	NIL	NIL
(1,065,393.00)	US Investors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(26.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,467,328.00)		5,796.80	5,796.80
	REPRESENTED BY		
	Bank 1 Current		3,044.24
	Vat Receivable		2,752.56
			5,796.80

Nicholas Simmonds
Joint Administrator

**Clear Artificial Intelligence Limited
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT
AS AT 23 SEPTEMBER 2020**

CLEAR ARTIFICIAL INTELLIGENCE LIMITED - IN ADMINISTRATION

**ESTIMATED OUTCOME STATEMENT
AS AT 23 SEPTEMBER 2020**

	Note	Estimated to Realise
<u>Unencumbered Assets</u>		
Intellectual Property	1	Uncertain
Furniture & Equipment	1	Uncertain
Debtors	1	Uncertain
VAT refund	1	Uncertain
Cash at bank	1	Uncertain
Deposit	1	Uncertain
Total Assets		0
<u>Less Costs</u>		
Pre appointment costs: Quantuma LLP	2	(12,518)
Pre appointment expenses: Quantuma LLP	2	(3)
Pre appointment costs: legal fees & expenses	2	(2,800)
Joint Administrators' fees	3	(40,284)
Joint Administrators' disbursements	3	(623)
Legal fees & expenses	4	(1,500)
Agents Fees	5	(1,000)
Total Expenditure		(58,727)
Surplus available to preferential creditors		(58,727)
Preferential creditors	6	(117,457)
Estimated surplus available to floating charge creditor		n/a
Less: Estimated prescribed-part for unsecured creditors		n/a
Amount available to floating charge creditor		n/a
Shortfall to floating charge creditor c/d		n/a
Surplus available to unsecured creditors		-
Prescribed part b/f		n/a
Estimated funds available to unsecured creditors		0
Trade & Expense Creditors	7	(234,297)
Employees	8	(966,006)
US Investors	9	(1,065,393)
HM Revenue & Customs - Corporation Tax	10	(19,320)
HM Revenue & Customs - PAYE/NIC	10	(64,829)
Estimated total (deficiency) as regards to creditors		(2,349,845)
Estimated distribution to preferential creditors (p in £)		Uncertain
Estimated distribution to non-preferential unsecured creditors (p in £)		Uncertain

NB All figures are subject to change and they are shown exclusive of VAT

Notes

- The value of the assets is currently uncertain as detailed in the Joint Administrators proposals
- Pre-appointment fees are based on actual fees and costs incurred. These fees will be approved by creditors in due course
- The Joint Administrators fees and disbursements are the proposed basis. These fees will be approved by creditors in due course
- Legal fees & expenses are based on costs to date and estimates to deal with remaining work
- Agents fees are based on a valuation to date. Our agent will in addition charge 10% commission on any realisations. As realisations are uncertain, this extra figure has not been included
- Estimated preferential claims of employees in respect wage arrears and holiday pay
- Estimated trade & expense creditors extracted from Company's accounting software
- Estimated unsecured claims of employees in respect wage arrears, notice pay and redundancy
- US investors owed \$1,400,000. Historic exchange rate used as at date of administration £0.7609946431/\$1
- Estimated claims extracted from Company's accounting software

SCHEDULE OF THE JOINT ADMINISTRATORS' TIMECOSTS DURING THE REVIEW PERIOD



Time Entry - SIP9 Time & Cost Summary + Cumulative

6006701 - Clear Artificial Intelligence Limited
Project Code: POST
From: 05/08/2020 To: 04/02/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	15.00	3.40	37.50	10.40	66.30	15,749.50	237.55	66.30	15,749.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	1.20	2.80	4.00	618.00	154.50	4.00	618.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	21.70	0.00	76.20	8.89	106.79	24,469.15	229.13	106.79	24,469.15
Investigations	2.70	0.00	16.20	7.10	26.00	5,197.50	199.90	26.00	5,197.50
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	15.30	0.00	10.10	0.20	25.60	7,708.00	301.09	25.60	7,708.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	54.70	3.40	141.20	29.39	228.69	53,742.15	235.00	228.69	53,742.15
Total Fees Claimed						0.00			
Total Disbursements Claimed						501.45			

**Clear Artificial Intelligence Limited
(IN ADMINISTRATION)**

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

Description of work undertaken	Includes
ADMINISTRATION & PLANNING	
Administration & Planning	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Obtaining a specific penalty bond.	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
Setting up electronic case files and electronic case details on IPS.	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 3 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 Preparation and filing of Corporation Tax Returns
ADMINISTRATION & PLANNING TOTAL	
CREDITORS	
ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Assisting employees to pursue claims via the RPO
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
Committee Reporting	Reporting to committee members

Description of work undertaken	Includes
Dealing with HMRC/RPO claims	
Retention of Title - issuing ROT questionnaires to creditors, reviewing ROT claims & corresponding with creditors	Receive initial notification of creditor's intention to claim Provision of retention of title claim form to creditor Meeting claimant on site to identify goods Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Preparation of payment vouchers and correspondence to claimant to accompany payment of claim (if valid) Exchanges with solicitors in deciding claims and dealing with disputes
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors	Preparing a fee estimate for inclusion with the report to creditors.
Interim Fee Report to Creditors	
Para 49 Administrators' Proposals	
Para 53 Report of Initial Meeting/Deemed Approval Documentation	
<u>INVESTIGATIONS</u>	
Investigations	
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
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations
Investigating & Pursuing Antecedent Transactions	
INVESTIGATIONS TOTAL	
<u>REALISATION OF ASSETS</u>	
Realisation of Assets	
Freehold/Leasehold Property	Rent Deposit Correspondence with the landlord
Plant & Machinery	Liaising with valuers, auctioneers and interested parties Reviewing asset listings

Description of work undertaken	Includes
Financed Assets	Liaising with secured creditors and landlords Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases if appropriate
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and arranging for reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims
Sale of Business	Instructing and liaising with agents Liaising with potential purchasers Assessment and review of offers received Negotiating with intended purchaser
Goodwill	
Cash at Bank	Contacting the bank to arrange closure of the account and payment of the funds to the estate
CASHIERING	
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
CASHIERING TOTAL	

Current Charge-out Rates of the staff working 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 are likely to be subject to periodic increase.

Staff	Charge out rates £
CEO/Managing Director	£480.00 - £580.00
Appointment Taking Director	£400.00 - £500.00

Staff	Charge out rates £
Director	£370.00 - £475.00
Senior Manager	£340.00 – £415.00
Manager	£310.00 - £375.00
Assistant Manager	£275.00 – £335.00
Senior Administrator	£235.00 – £285.00
Administrator	£200.00 – £240.00
Assistant Administrator	£135.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00

**Clear Artificial Intelligence Limited
(IN ADMINISTRATION)**

PROOF OF DEBT

PROOF OF DEBT - GENERAL FORM

Clear Artificial Intelligence Limited (in Administration)

Date of Administration: 5 August 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"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
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