In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0 2 3 6 8 1 2 3
Company name in full	Sungard Availability Services (UK) Limited

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

2 Administrator's name

Full forename(s)	Benjamin
Surname	Dymant

3 Administrator's address

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

4 Administrator's name ❶

Full forename(s)	Ian Colin
Surname	Wormleighton

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

5 Administrator's address ❷

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 2 d 5	m 0 m 3	y 2 y 0 y 2 y 3
To date	d 2 d 4	m 0 m 9	y 2 y 0 y 2 y 3

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X		X
Signature date	d 2 d 4	m 1 m 0	y 2 y 0 y 2 y 3

AM10
Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Arjan Beghal

Company name: Teneo Financial Advisory Ltd

Address: The Colmore Building
20 Colmore Circus Queensway

Post town: Birmingham

County/Region:

Postcode: B 4 6 A T

Country:

DX:

Telephone: +44 121 619 0120

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

Teneo®

The Global CEO Advisory Firm

Court Case No. CR- 2022-000900
High Court of Justice
Business & Property Courts of England & Wales
Company Number: 02368123

Registered Office: c/o Teneo Financial Advisory Limited
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Sungard Availability Services (UK) Limited in **administration ("the Company")**

Progress report to creditors for the period 25 March 2023 to 24 September 2023 pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

24 October 2023

Benjamin Dymant and Ian Colin Wormleighton ("the Joint Administrators") were appointed Joint Administrators of Sungard Availability Services (UK) Limited on 25 March 2022 by the directors of the Company. 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. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally. As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

In accordance with The Insolvency (Amendment) (EU Exit) Regulations 2019 (the "Regulations") and as stated in the administration documents these are COMI proceedings (i.e. the centre of main interests is in the UK).

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Key messages

Key messages

Joint Administrators of the Company

Benjamin Dymant

Ian Colin Wormleighton

Teneo Financial Advisory Limited

The Colmore Building

20 Colmore Circus Queensway

Birmingham

B4 6AT

Contact details

Email: arjan.beghal@teneo.com

Website: www.ips-docs.com

Tel: +44 121 619 0153

	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation.
Progress of administration	• A trading loss of £5.9m was generated during the entire trading period in administration. This position is not expected to materially change other than a few additional costs yet to be settled. Please see page 6 for details. Trading at this loss enables the realisation of assets totalling £28.6m which would have otherwise not been possible, hence achieving a better result than liquidation. • During the reporting period, assets totalling £4.4m have been realised. Of this, £3.5m related to the sale of the entire shareholding in an Irish subsidiary. Please see page 7 for further details. • We have also settled a hire purchase agreement of c.£2.25m during the reporting period. This related to specific IT equipment which was sold to Redcentric as part of the sale. Please see page 6 for further details. • A significant exercise has also been undertaken to reconcile and identify refunds owed to customers who paid in advance for their services during the trading period. These were ultimately provided by the respective purchaser or not provided at all (due to cessation of trade where a buyer could not be found). We have paid a total of £4.6m, of which £474.1k has been paid during the reporting period. • We have continued to employ four employees for the benefit of connected entities to support the wind down of their operations. The payroll for these four employees are being paid in full by the connected entities. Please see page 6 for further details. • The Joint Administrators vacated all 20 leases following the cessation of trade from each site, following negotiations around the surrender of these leases, undertaken to mitigate potential landlord claims. Of these, only five leases remain subject to negotiations to formally surrender with assignments and surrenders negotiated for other leases – which has materially improved the potential return for unsecured creditors. Please see page 7 for further details. • Ordinary preferential creditor claims have been adjudicated upon during the reporting period. A distribution to the ordinary preferential creditors will be paid shorty which will represent a 100p / £. Please see page 13 for further details.
Professional costs	• Please note all fees, costs and expenses, unless otherwise stated, are reported net of VAT. • Our time costs for the period of the report are £715.2k. Please see pages 15 to 19 for further details. • We have incurred Category 1 third party expenses of £686.3k in the reporting period. No category 1 disbursements have been incurred in the report period. Please see pages 8 and 9 for further details. • No category 2 expenses have been incurred in the report period. Please see page 20 for further details.

Key messages (continued)

	Commentary (continued)
Outstanding matters	• Complete sale/transfer of subsidiary shareholdings in Sungard India. • Agree final recharges with connected Group entities for services provided during the Administration period, including the four retained employees. • Declare and pay distributions to the ordinary preferential and secondary preferential creditors. • Liaise with HM Revenue and Customs ("HMRC") in respect of all corporation tax and VAT matters in relation to the Companies including recovery of VAT due. • Take appropriate steps to convert the Company into creditors' voluntary liquidation in order to make payment of the unsecured creditor claims. • Liaise with HSBC to recover cash being retained as security against the duty deferment bond. • Issue a notice of intended dividend and adjudicate upon all claims received (this will be undertaken in liquidation). • Statutory closing procedures.
Dividend prospects	• Secured creditor – There is no debt owed to HSBC UK Bank plc ("HSBC"), who registered a fixed charge in respect of a cash backed duty deferment bond. There is no other secured creditor. • Ordinary preferential creditors – There will be sufficient realisations to enable payment in full of ordinary preferential claims. • Secondary preferential creditor – There will be sufficient realisations to enable payment in full of HMRC's secondary preferential claims. • Unsecured creditors – It is likely that there will be a distribution for unsecured creditors. • Please see page 13 for further details on dividend prospects for all classes of creditor.
Extension to administration period	• The administration has been extended to 24 March 2024. • It is unlikely that any further extension will be required. Please see page 13 for further details.

Progress of the administration

Summary	6
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Progress of the administration

Summary

Work done during the report period

Trading

As set out in our previous reports, the Joint Administrators traded the Company with a view to achieving a sale of the business and certain assets, thereby achieving a better result for creditors as a whole compared to an immediate shut down and subsequent winding up of the Company.

Redcentric Transaction

Following the cessation of the Transitional Services Agreement ("TSA") in the prior reporting period, a comprehensive exercise has been undertaken to finalise all costs incurred relating to this TSA and the licence to occupy periods, including third party suppliers, utility costs and rent charges. After an extensive reconciliation, a refund of c.£540.7k was repaid to Redcentric relating to overpayments of certain costs which had previously been funded in advance.

During the reporting period, c.£2.25m of hire purchase costs has been settled which related to data centre IT equipment that transferred to Redcentric. This was agreed under the sale purchase agreement.

As required under the terms of the sale, Redcentric provided regular updates to the Joint Administrators with details of the customers that transferred to Redcentric, including the terms of the contracts. Within the sale agreement, there were certain contingent consideration thresholds based on transferring customer revenue, which resulted in further consideration of £440k being received during the reporting period. We are not expecting further uplifts as the period under consideration has now lapsed.

Daisy Transaction

A similar exercise was also undertaken to finalise a true-up and recharge of all costs relating to the Daisy transaction. During the reporting period, a final recharge of £63k (plus VAT) was received from Daisy. All costs incurred on behalf of Daisy have now been recovered.

Suppliers

During the reporting period, a total of £4.1m has been paid to suppliers as part of the final true-up of costs in respect of the trading period, as well as the costs incurred as part of the respective Redcentric and Daisy transactions and TSA periods.

Suppliers (cont'd)

The largest payment related to settlement of utility costs, with a balancing payment of c.£4.0m representing full and final settlement with NPower Business Solutions ("NPower") for the administration trading period. An interim payment to NPower of £4.1m was made in the previous reporting periods. The final utility costs incurred by Redcentric within the TSA and licence to occupy periods totalled c.£4.0m and has been captured within the final settlement payment to Npower and been recovered in full from Redcentric.

A detailed trading account is provided on page 11. However, please note that following a reconciliation of the costs, certain payments have been reallocated to the appropriate cost lines within the trading account. Further details of the reallocation are provided on page 11.

Employees

We have continued to retain four employees at the request of other Group entities to support with the global wind-down of the wider Sungard business.

Any costs incurred to support global entities have and will continue to be recharged in full.

Customer refunds

As advised in previous reports, certain customers who prepaid for services in advance, during the administration were due a refund if the Company did not render the services for the entire period. Such refunds totalled to c.£4.6m.

Since the last reporting period, we have exhausted all options trying to seek the customers' bank account details (and validation documentation) to process the refunds.

We have refunded a total £474.1k during the reporting period (as reflected on page 11).

Cash at Bank

During the reporting period, funds totalling c.£105.7k have been recovered from the pre-appointment bank accounts. This brings total cash at bank realisations to £9.6m.

A cash backed duty deferment facility is held with HSBC totalling c.£207k. We are liaising with HSBC to recover this amount in full.

Progress of the administration Summary (continued)

Work done during the report period (continued)

Leasehold interests

During the period significant further work has been undertaken to seek assignations and / or surrenders of the Company's leasehold estate.

During the period we have successfully surrendered two material leasehold properties.

As a result, all 20 sites were vacated promptly following the cessation of trade in each facility and keys were handed back to the respective landlords. The status of each leasehold estate is below:

- Two leases were assigned to Redcentric.
- Six leases have been formally surrendered.
- Seven leases have expired / break options exercised.
- Five are subject to ongoing negotiations with the landlords whom we are continuing to liaise with.

Investment in Subsidiaries

Sungard *Availability Services (Ireland) Limited ("SA Ireland")*

As previously advised, the Joint Administrators continued to support the operations of its subsidiary SA Ireland whilst in parallel undertaking a comprehensive exercise to enable it to be separated from the wider Sungard group, thereby allowing it to be marketed and sold as a standalone business.

Following a marketing process, the Joint Administrators have successfully sold the entire share capital in SA Ireland for total gross proceeds of €4m / £3.5m to Viatel Ireland Ltd ("the Buyer"), a non-connected third party.

The marketing process was conducted by DH Capital (a division of Citizens Bank LLC) as agent for the Joint Administrators. DH Capital had previously worked with the Sungard Group, including supporting the Joint Administrators with the previous transactions and had specific knowledge of the sector, entity and local market conditions and participants to maximise value in the circumstances.

The terms of the sale included a tripartite TSA with the Buyer, the Company and the Sungard US Inc for an extended period to support trading to deliver the transaction.

Please refer to page 8 on specific costs incurred as part of this transaction.

Sungard *Availability Services (India) Private Limited ("SA India")*

As previously reported, SA India operates as a cost centre and provides services to the wider group.

Discussions are ongoing with the Company's shareholder as to whether they will exercise their option to purchase the shares in SA India, which were granted as per the terms of the administration funding agreement including requiring significant tax analysis to confirm the position of the Company should the option be granted.

Pre-appointment Book Debts

During the reporting period, we have recovered a further £344k, bringing total book debt collections to £9.1m.

Whilst the Company's debt collection team were initially engaged to collect balances, further administration involvement was required to escalate slow moving balances and where required, specific legal support was required to agree settlement agreements with certain debtors.

All book debt realisations have been concluded and there are no further realisations are anticipated.

Statutory tasks

During the period, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions, including updating the insolvency website/creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of this progress report;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HMRC in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any further narrative.

Progress of the administration

Professional costs

Category 1 expenses - are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Joint Administrators' – Category 1 Expenses

Third party costs incurred during the report period

Prior to instructing providers of specialist advice and or services, we have evaluated whether the work/advice is both warranted and also that the cost of same represents best value for the estate. We review all such arrangement periodically to ensure that best value continues to be obtained. Further details are provided below.

The following third party expenses have been incurred during the report period. Please also see the receipts and payments account on page 10 for further details of expenses paid during the report period and since appointment.

Lawyers/Legal Services

Addleshaw *Goddard LLP ("*Addleshaw*")*

Addleshaw have continued to be retained by us to advise on the following legal matters during the reporting period:

- Preparing documentation and advice on the assignment and surrendering of leases;
- Advice on the Funding Agreement, Option granted over SA India and other angles considered;
- Review of the Company's terms and conditions for new business agreements; and
- Advise on all other administration matters and general ad hoc legal advice.

In respect of this work, Addleshaw have incurred £150.1k during the report period, bringing total costs to date of £957.9k. These costs are higher than we had anticipated in our Proposals due to the extended trading period, additional work required to deliver multiple transactions and extensive adhoc legal support in general administration matters.

D*WF Law LLP ("DWF")*

DWF were engaged to support in pursuing the recovery of book debts. They incurred costs of £10.5k during the report period which has been paid.

DWF's costs to date totals £39.2k, which is higher than anticipated in our Proposals due to the additional legal action required to collect the book debts involving, which resulted in greater recoveries than estimated.

Stephenson Harwood LLP ("Stephenson Harwood")

Stephenson Harwood have been instructed by us to advise on the sale of SA Ireland. In respect of this work, they have incurred £81.7k for their fees during the report period.

No estimate was given for these costs in our Proposals as it was unknown whether we would be able to successfully realise value for the Share Capital of SA Ireland (and who would advise on such matters).

Dillon Eustace LLP ("Dillion Eustace")

Dillion Eustace LLP, who are experienced in this area, were engaged by us to advise on the sale of SA Ireland (as local counsel). In respect of this work, they incurred £16.1k during the report period.

As per above, no estimate was given for these costs in our Proposals as it was unknown whether we would be able to successfully realise value for the Share Capital of SA Ireland (and who would advise on such matters).

Agent's Costs

RSM Astute Consulting Pvt Ltd ("RSM Astute")

RSM Astute were engaged by us to advise on the option agreement granted (and potential alternative sale options) for the shareholding in Sungard India. RSM Astute have incurred costs of £1.9k during the report period.

No estimate was given for these costs in our Proposals as further tax analysis of the option granted was not anticipated to be required.

DH Capital, a brand of Citizens Bank LLC ("DH Capital")

DH Capital, who are experienced in this area were engaged by us to advise on the sales process of SA Ireland and undertake a comprehensive marketing process.

In respect of this work, they have incurred £426k during the report period. This fee was calculated on a fixed fee of £200k plus a 5% contingent success fee with the fee, which was dependent on both a successful transaction and the level of consideration.

DH Capitals have been paid a total of £1.7m to date.

Progress of the administration Professional costs (continued)

Third party costs incurred during the report period (continued)

Payment of Category 1 Expenses

All professional costs and expenses are kept under review and analysed to ensure best value for creditors is being obtained.

Please refer to the receipts and payments account on page 10 for details of Category 1 expenses paid to date.

Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below:

Category 1 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	2,000	499	2,000	499
Accommodation	3,000	-	1,153	-
Telephone	5,000	-	625	-
Subsistence	1,000	-	1,000	-
Postage/Couriers	5,268	-	-	-
Specific Penalty Bond	230	-	220	-
Total expenses	16,498	499	4,998	499

Category 2 Expenses

These are payments out of the estate either:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs); or
- in respect of shared or allocated costs.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 20.

Progress of the administration

Receipts and payments

Joint Administrators' receipts and payments account
25 March 2023 to 24 September 2023

£	SoA values	Notes	Period	To date
Receipts				
Trading surplus/deficit	-	7	(4,845,732)	(5,962,950)
Sale of Assets - Sungard Ireland	-		3,518,339	3,518,339
Sale of Assets - Redcentric transaction	-		440,000	14,760,000
Daisy Transaction - Commission	-	8	(157,614)	781,990
Sale of Assets - Daisy Transaction Exclusivity Fee	-		-	500,000
Furniture & Equipment	515,370	6	20,022	419,810
Pre-appointment Debtors	9,016,331	1	343,932	9,084,507
VAT Refund	1,201,903		-	482,634
Cash at Bank	9,853,838		105,671	9,613,933
Bank Interest Gross	-	2	374,595	551,792
Suspense Account	-	3, 6	(1,557)	-
Other Refunds	-	6	16,016	25,443
Administration Funding Facility	-		-	8,088,497
Corporation Tax	655,569		-	-
Prepayments	200,000		-	-
Investments in Subsidiaries	1		-	-
Total receipts	21,443,012		(186,327)	41,863,996
Payments				
Repayment of Administration Funding Facility			-	8,088,497
Interest on Administration Funding Facility			-	152,410
Other Refunds		6	(157,994)	145,922
Administrators' Pre Administration Fees			-	170,596
Settlement of Hire Purchase Agreement			2,247,718	2,247,718
Administrators' Fees			-	6,658,670
Administrators' Expenses			-	4,999
Agents' Fees			435,901	1,709,491
Agents' Disbursements			-	79
Legal Fees			261,990	1,036,835
Legal Disbursements			-	1,401
Pre-appointment Legal Fees			-	60,285
Storage Costs			165	569
Postage & Redirection			-	216
Statutory Advertising			-	104
Bank Charges			209	1,812
Childcare Voucher Administration Fees			-	330
Total payments			2,787,990	20,279,932
Balance				21,584,064
Made up of:				
IB Funding A/c				1,926
IB Trading A/c		2		17,959,467
IB Customer Refund A/c				635,256
USD A/c				105,641
Trade Creditors		4		(356,321)
Vat Control Account		5		3,238,094
Balance in hand				21,584,064

Notes to receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions during the report period and also cumulatively for the entire period of our appointment on 25 March 2022 to 24 September 2023.

Note 1 – This relates to services provided by the Company pre-administration which were outstanding upon our appointment and where we have collected more than the Directors initially identified due to the extensive reconciliation to finalise the debtor positions.

Note 2 – All funds are held in interest bearing accounts. The associated corporation tax on interest received will be accounted for to HMRC in due course.

Note 3 – These amounts related to receipts that were not coded in previous reports.

Note 4 – Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts. This has reduced to c.£98k as at the date of this report and will continue to be unwound.

Note 5 - All sums shown opposite are shown net of VAT, which is receivable and has been and will continue to be accounted for to HMRC. We are liaising with HMRC to recover the VAT of c.£3.2m.

Note 6 – Following an extensive reconciliation exercise, various adjustments and reallocation of income and costs have been processed during the reporting period to reflect the actual positions.

Note 7 – See notes relating to trading on the next page.

Note 8 – Reflects adjustments and reallocations specifically relating to income and costs incurred as part of the TSA periods with Redcentric and Daisy.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administration

Receipts and payments

Joint Administrators' trading account
25 March 2023 to 24 September 2023

£	Notes	Period	To date
Receipts			
Post-app: Customer Sales Allocation	3	190,071	7,101,364
Post-app: Deferred Income Allocation	3	(197,572)	2,026,934
Post-app: Power Recharges Invoices	3	48,053	3,970,745
Pre-app: Customer Sales Allocation	3	410,558	6,445,281
Pre-app: Deferred Income Allocation	3	119,160	3,932,377
Post-app: Customer Contribution to Cost		-	59,740
Redcentric TSA - Operational Costs Recharges	1, 4	(540,722)	8,685,810
Daisy TSA - Operational Costs Recharges	1, 4	105,319	1,068,656
Funding for additional payroll items	2	230,000	376,114
Unallocated Receipts	3	(173,672)	-
Total receipts		191,195	33,667,020
Payments			
Customer Refund Paid		474,123	4,623,287
Cost of sales		-	2,829
Cost of sales - External Consultants		-	953,150
DP Equipment - Datacoms		1,834	249,958
DP Equipment - Software		-	663,756
DP Equipment - Other		(6,441)	893,147
Payroll processing costs		4,545	10,033
Wages and Salaries	3	537,651	8,165,440
Employee Expenses		-	172
Employee Benefits	3	(21,222)	251,490
Rents	4	(296,567)	6,122,684
Service Charge and Other	4	(88,704)	405,827
Rates	4	(148,433)	557,567
Building Maintenance		5,682	484,053
Facility costs - Security		-	434,212
Facility costs - Cleaning		4,354	267,809
Facility costs - Other		-	20,329
Utilities - Electricity	4	(121,621)	5,231,431
Utilities - Gas, water	4	(488,187)	965,037
Telephone		-	144,119
Insurance	4	(9,230)	16,012
Other Maintenance and Callouts		-	25,578
Cost of sales - Facility		-	12,718
Contracted Services		-	336,231
Ransom Payments		-	140,204
Redcentric TSA - Operational costs	4	(2,421,654)	608,669
Daisy TSA - Operational costs	4	220,337	634,222
Redcentric TSA - Rents, Rates & Utilities	1, 3	7,390,456	7,390,456
Refunds: Customer contribution to costs	1	-	19,550
Total payments		5,036,927	39,629,970
Trading surplus/(deficit)		(4,845,732)	(5,962,950)

Notes to trading account

The trading account shown in the column opposite has been prepared on an accruals basis.

As anticipated in our prior reports, a trading loss of £5.96m has been incurred.

For VAT purposes, we have allocated receipts split between:

- Trading receipts relate to customer sales for services provided in administration. Where the service had already been provided these have been considered within pre/post customer sales according to when cash was received and this impacts VAT treatment of these funds.
- Where cash was received relating to a service in advance this was categorised as deferred income.
- Power recharges have also been received which related to incremental costs directly incurred by customers.

Note 1 – Operational costs of c.£4.1m were paid during the reporting period, reflecting utility costs settled with Npower and local authority business rates incurred during the Redcentric and Daisy TSA periods. Reallocations totalling £3.3m have been processed to reflect the actual final positions for the respective periods.

Note 2 – As mentioned on page 6 certain employees have been retained during the wind down of other connected entities. The payroll for these employees are paid for in full by those entities receiving the benefit of their services.

Note 3 – Following an extensive reconciliation exercise, various adjustments and reallocations have been processed to reflect the actual final positions between trading income and payments and costs incurred as part of the TSAs (see note 4 below).

Note 4 – Reflects adjustments and reallocations specifically relating to income and costs incurred as part of the TSA periods with Redcentric and Daisy. This does not include operational certain as part of the Daisy transaction that were paid for in advance.

Information for creditors

Outcome 13

Information for creditors

Outcome

Outcome for creditors

Secured creditors

As detailed in our Proposals, the Company had no qualifying floating charges.

HSBC held a cash backed duty deferment bond with a registered fixed charge. HSBC are continuing to retain cash totalling c.£207k as security against the duty deferment bond. We are liaising with HSBC to realise this in full.

Ordinary Preferential creditors

Ordinary preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

To date, we have received 118 ordinary preferential claims totalling £169.2k, which is in line with expectations.

Sufficient funds are available to enable these claims to be paid in full. Work has been undertaken in the report period to adjudicate on all ordinary preferential claims received and a notice of intended dividend will be issued in the next reporting period.

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes (including VAT, PAYE, student loan repayments, employee NICs and CIS deductions) on insolvency appointments falling on or after 1 December 2020.

We expect that HMRC will have a secondary preferential claim in the administration with respect to the March 2022 payroll which was completed prior to the Company entering into administration. We have not yet received a claim from HMRC in this regard and are liaising with them directly to obtain details of their claim.

We anticipate that sufficient funds will be available to enable such claim to be paid in full.

Prescribed Part

As detailed in our Proposals, there are no floating charges and thus the Prescribed Part provisions will not apply.

Any recoveries after payment of associated costs will be available for unsecured distribution as discussed in the opposite

Unsecured creditors

We have received 118 claims to date for a total of £23.2m. These claims have yet been adjudicated upon.

There will be sufficient funds to enable a distribution to be made to unsecured creditors in due course, however the timing and quantum is currently uncertain.

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a proof of debt to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on page 3. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

Extensions to the administration

The administration was extended by the creditors on 22 March 2023 and will now end on or before 24 March 2024. We do not anticipate that it will be necessary to further extend the period of the administration.

Exit

As detailed in our Proposals, we consider moving to creditors' voluntary liquidation to be the most appropriate exit route from administration, which will enable a dividend to be paid to the unsecured dividend.

Remuneration and detailed information

Joint Administrators' remuneration 15

Remuneration and detailed information

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.om

Should you require a paper copy, please send your request in writing to us at the address on the cover page and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 13 July 2022 by the general body of creditors by reference to the time properly given by the Joint Administrators and their staff.

The sections below set out what additional, value accretive work has been undertaken since the initial fee estimate.

Fees drawn to date - time costs

We have drawn fees of £6.7m, as shown in the receipts and payments account on page 10.

Time costs - analysis of actual against initial estimate

Please refer to page 19 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and for the entire period of our appointment. We have also summarised the position below.

Our total time costs to 24 September 2023 are £10.4m made up of 13,784 hours, at a blended charge out rate of £754 per hour, across all grades of staff. As can be seen on page 19, our actual time costs are higher than we initially anticipated, which can be attributed as follows:

Cashiering

Significantly higher cashiering costs have been incurred due to:

- The complexities with the various pre-appointment bank accounts;
- Processing a significant level of trading payments;
- Identifying and coding up trading receipts and realisations;
- Ongoing regular bank reconciliations and detailed statement reviews;
- A reduction in the Company's finance department resulting in the requirement for additional resource of the Joint Administrators' staff to deal with the finance function; and
- Higher than anticipated number of payments required, relating to costs incurred under the TSA and subsequent appropriate recharges.

Asset Realisations

As previously reported, the Joint Administrators undertook two sale processes of the Company's subsidiary entities in Ireland and India. These involved two separate and comprehensive sale processes requiring time engaging with bidders, agreeing commercial terms, negotiating the separation of these entities and ongoing transitional services whilst agreeing legal contracts:

- The Irish sale process has resulted in an equity realisation for the estate of £4.0m. However, it required the agreement of a tripartite TSA with the bidder, Company and the Sungard US Inc and an extended period to support trading to deliver the transaction.
- The Irish sale process has resulted in an equity realisation for the estate of £3.5m. However, it required the agreement of a tripartite TSA with the bidder, Company and the Sungard US Inc and an extended period to support trading to deliver the transaction.
- The India process is ongoing, and has required extensive negotiation but, should it complete, is anticipated to improve the outcome for the estate by either generating higher proceeds than previously expected and/or mitigating certain tax liabilities.
- Both transactions have required significant senior input to assist with complex negotiations, as well as specific and complex tax work, given the structure of the transactions, which was not anticipated within our initial fee estimate.
- This has resulted in additional time, directly relating to these realisations, across sale of business and trading workstreams – incremental time for tax work is detailed overleaf.

Debtor Realisations

Extensive time was incurred in liaising with debtors due to contract and legal complexities, including disputes:

- We recovered 100% (£9.0m) of the value of reported pre-appointment debtors – a materially higher result than we initially anticipated.
- This exercise also included collecting £13.2m relating to valid post appointment sales from customers.

Remuneration and detailed information

Joint Administrators' remuneration (continued)

Time costs - analysis of actual against initial estimate (continued)

Debtor Realisations (continued)

- Given the complexity of contracting arrangements, this required significant involvement and oversight to put in place a process which correctly finalised customer accounts for c.450 customers, calculate the final account position and ultimately explain and realise these balances from debtors.
- Whilst the Company finance team was retained to support with this process, the finalisation of accounts involved multiple phases of review and collection typically required escalation, numerous rounds of correspondence and negotiation. The top 20 debtors accounted for c.60% of the amounts outstanding and each required specific pursuit.
- Without this work the Debtor recoveries would likely have been materially lower as accurate statements were not available prior to our involvement making collection very difficult. Our subsequent pro-active approach ensured that all outstanding balances were collected to the maximum extent possible.
- In total c.£262k of additional time was incurred to ensure that the total amount of the pre appointment debtor book was collected.

Property

Additional time has been spent dealing with the Company's leasehold property portfolio, including transitional arrangements following the sale and subsequent closure of sites. Our processes have resulted in a significant reduction in landlord claims and also delivered the successful transitional services which were required to achieve the business sale transactions. Specifically, we have incurred additional costs over our original estimate of c.£609k undertaking the following activities:

- Agreed the assignment of two Data Centre facilities (note this involves multiple leases) as part of the sale process;
- Agreed the surrender of two Data Centre facilities (note this involves multiple leases) as part of the administration process;
- Agreed the surrender of five Work Area Recovery facilities;
- Following the cessation of trading from each facility, arranged a prompt vacation of the facility to mitigate any rent expense and subsequent negotiation with the (whilst still realising certain valuable chattel assets);
- Negotiations with all these landlords have been extensive and required input from subject matter experts given the complex nature of the lease, landlord position; and
- In addition, we have sought to obtain invoices and finalise accounts with remaining sites which can delay the closure of trading on an administration.

This significant undertaking has materially reduced claims in the estate and ensured that we have been able to maximise value achieved through the transaction with Redcentric and Daisy.

Trading

Costs incurred in relation to trading matters exceeded initial estimates due to the extended period of trading to deliver transitional services to Redcentric Solutions PLC and Daisy Corporate Services Ltd, and to agree recharges of all the costs incurred as per the TSA:

- The Redcentric TSA was agreed in July 2022 (after our initial fee estimate was provided and agreed with creditors) for an initial 3 month period which was subsequently extended for a further two week period to mid-October 2022. As such the level of work required to deliver under the TSA was not known when we provided our initial quote.
- In addition, a separate third party TSA was required between Redcentric and Sungard US Inc. This again, required engagement from the administrators to understand the process required and services which would and wouldn't need to be retained from the estate in administration.
- Delivering the TSA required the continued facilitation of operations to support three data centres, including 23 supplier arrangements, delivery and/or maintenance of over 50 specific data requirements/services and over 60 systems. This required extensive communication and negotiation with suppliers, third parties, remaining company employees and with Redcentric to agree and formalise.

Remuneration and detailed information

Joint Administrators' remuneration (continued)

Time costs - analysis of actual against initial estimate (continued)

- The terms of the TSA included cover for all related third-party costs, together with a fixed fee in respect of an element of the Joint Administrators' administrators costs. However, delivering the TSA has required significantly greater involvement from the Joint Administrators than anticipated, the cost of which is over and above the cover provided under the TSA. Noting that the transaction resulted in consideration of c.£15m being paid and there were no deliverable alternative offers, incurring the incremental costs has been for the benefit of creditors, to ensure we delivered on our obligations under the sale contract and maximum potential consideration was received.
- Further, the Daisy option over the facility at Leatherhead was extended for a 16 week period requiring us to continue operating this facility. Again, all third party costs were covered by Daisy during this period, but required extra time and oversight from the administration team, agreeing extensions, monitoring and allocating costs including agreeing and recovering recharge costs from Daisy as part of the true-up agreement.

This extended trading time period and additional requirements meant greater time in managing suppliers, customers and employees which incurred additional cost, in addition to the workload to make payments and continue trading the Company and appropriately record, allocate and agree costs to be recharged.

Ultimately the above work was necessary in order to deliver under our obligations under the sale agreements which generated in excess of c.£15m for the estate and enabled the debtor book to be collected in full. At the time of providing the initial quote the level of complexity to deliver the same and the post sale requirements on the administrator were not known.

As part of the finalisation of customer accounts, it was ascertained that certain customers were due refunds of amounts paid for during the administration that were not provided when trading ceased.

This involved significant work to identify, contact and refund monies and where customers could not be contacted alternative arrangements were required to return funds to them.

Undertaking this process ensured that creditor claims into the estate in respect of advance payments have been materially reduced, which has significantly increased the likely level of dividend payable to the remaining creditors.

Administrative Activities

- Resignations in the Company's finance department resulted in resource being required by the Joint Administrators' staff to assist with the finance function in collection of debts and additional cashiering requirements.
- In addition to the resignations, the longer than anticipated period of trading during the Transitional Services Period naturally resulted in the administration cashiering requirements being increased which included the continued need to process a significant level of payments, reconciling customer receipts, segregating different pots of funds and financial and statutory reporting to key stakeholders to ensure we could continue to recover appropriate funds from TSA providers.
- This workload was also higher than anticipated due to the depleted Company resources.
- The separate sales of the two divisions (i.e., workplace area recovery and data centres) also required different reporting and recharges in accordance with TSAs.

Tax

- Additional input was required from our internal tax specialists on the additional proposed transactions in Ireland and India. In particular elements of the proposed (and not yet agreed) transaction with India are led by tax requirements and have required significant input and support from tax specialists. This will ultimately be required to deliver the transaction which delivers a better outcome for creditors than were the transaction not to take place.
- The extended trading period also resulted in additional VAT returns being filed, which also had to be prepared and reviewed.

Employees

- Our employee relations team spent a substantial amount of time in managing employee expectations concerning their employment and potential transfer to the respective buyers after our initial fee quote as part of the agreement of the TSA with Redcentric and subsequent arrangements for the transfer of staff.

Remuneration and detailed information

Joint Administrators' remuneration (continued)

Time costs - analysis of actual against initial estimate (continued)

Employees (continued)

- In addition, given the ongoing trading we have continued to retain key Company staff for longer than expected and continue to manage and process payroll.
- The costs of retaining these staff members is being recovered from the Company's parent Sungard US Inc. but is still requiring facilitation by the Administration team's employee specialists.

In accordance with Rule 18.30, we are required to seek further approval if we want to draw a fee greater than the amount of £6.7m as provided in our original Fees Estimate.

The request for approval must be made:

(a) where the creditors' committee fixed the basis, to the committee;

(b) where the creditors fixed the basis, to the creditors;

(c) where the court fixed the basis, by application to the court.

In this case, the basis of our remuneration was fixed by the unsecured creditors, to whom a request for permission to draw a further fee of £3,873,658 has been made. Please refer to the website at www.ips-docs.com to view the Notice of Decision Procedure and for further details and guidance, including voting form.

Reallocation of Costs within Revised Fees Estimate

During the report period, we have undertaken a reconciliation exercise of all time incurred to date. Please note the Revised Fees Estimate is now reflective of all time incurred in prior reporting periods that had not been included in our previous reports, and we have also reallocated certain costs within categories of activity within the Revised Fees Estimate. These reallocations primarily effect chattel assets, other assets, ongoing trading, and case closure matters.

Joint Administrators' Initial and Revised Fees Estimate and time costs for the period of the report and for the entire period of the appointment

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Initial Time and Costs per Fees Estimate			Revised Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Period			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	321.3	523	168,021	1,913.5	564	1,079,460	187.7	674	126,430	1,913.5	564	1,079,460
	Case supervision	209.2	760	158,967	189.3	703	129,143	29.6	794	23,514	183.8	682	125,382
	Case reviews	21.5	637	13,705	2.0	900	1,800	-	-	-	2.0	900	1,800
	Case closure matters	32.3	597	19,268	4.0	900	3,600	4.0	900	3,600	4.0	900	3,600
Statutory & compliance	Compliance & IPS diary	27.1	511	13,842	80.1	771	56,118	7.8	815	6,357	72.8	700	51,017
	Insurance	11.5	773	8,895	11.5	773	8,895	1.2	1,212	1,454	7.0	833	5,833
	General reporting	67.5	704	47,510	210.0	733	153,936	52.1	816	42,513	189.8	733	139,129
	Statutory meetings	-	-	-	29.5	725	21,379	7.4	720	5,328	29.5	725	21,379
Initial actions	Appointment matters	2.5	959	2,398	-	-	-	-	-	-	-	-	-
	Securing assets	35.0	918	32,130	-	-	-	-	-	-	-	-	-
	Notifications	55.5	636	35,320	43.5	582	25,331	-	-	-	43.5	582	25,331
Investigations	CDDA reporting	23.2	632	14,667	23.2	632	14,667	-	-	-	23.2	380	8,816
	Investigations	18.4	745	13,708		-		-	-	-	-	-	-
Total of above categories		825.0	641	528,429	2,506.6	596	1,494,328	289.8	722	209,196	2,469.1	592.0	1,461,745
Taxation	Tax	79.2	1,099	87,024	312.1	1,019	317,889	122.9	1,003	123,298	263.3	1,019	268,184
	VAT	43.0	908	39,055	62.8	763	47,946	2.7	720	1,944	62.8	763	47,946
Asset realisations	Book debts	102.2	839	85,699	451.7	769	347,567	-	-	-	451.7	769	347,567
	Other assets	352.6	853	300,689	525.8	623	327,311	46.5	896	41,699	525.8	623	327,311
	Property	514.3	891	458,316	1,296.1	824	1,067,455	26.2	1,123	29,424	1,296.1	824	1,067,455
	Sale of business	362.4	1,099	398,123	659.5	1,032	680,698	47.0	990	46,530	611.1	1,032	630,743
Trading	Day 1 control of trading	100.0	1,100	110,000	89.7	930	83,445	-	-	-	89.7	930	83,445
	Ongoing trading	2,636.2	854	2,250,217	4,255.1	808	3,438,160	-	-	-	4,255.1	808	3,438,160
	Closure of trade	700.0	796	556,882	1,085.5	833	904,448	218.0	849	185,067	1,025.1	833	854,094
Employees	Consultation	78.3	798	62,510	99.5	825	82,083	-	-	-	99.5	825	82,083
	Correspondence	244.0	815	198,860	523.7	801	419,402	10.7	888	9,504	523.7	801	419,402
	Pensions	3.0	815	2,445	1.0	815	815	-	-	-	1.0	815	815
Correspondence	Creditors	184.8	577	106,618	112.0	565	63,300	14.5	739	10,710	67.6	565	38,234
	Shareholders	40.0	847	33,875	34.5	815	28,118	-	-	-	34.5	815	28,118
	Customers	1,902.7	757	1,440,135	2,006.4	648	1,300,365	79.3	720	57,060	2,006.4	648	1,300,365
Distributions	Secured creditors	5.0	940	2,631	4.0	-	-	-	-	-			
	Preferential creditors	103.0	631	65,000	62.8	631	39,627	1.0	720	720	1.0	720	720
	Secondary preferential creditors	13.0	500	6,500	13.0	500	6,500	-	-	-	-	-	-
	Unsecured creditors	338.0	399	134,800	230.7	399	92,007	-	-	-	-	-	-
	Shareholder	16.0	575	9,200	16.0	575	9,200	-	-	-	-	-	-
Total fees estimate		8,642.6	796	6,877,004	14,348.5	749	10,750,662	858.6	833	715,152	13,783.5	754	10,396,385

Remuneration and expenses
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators' Category 2 Expenses (including disbursements)

As described on page 9, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. We have summarised our Category 2 expenses in the table below. Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Category 2 Expenses

£ (net)	Estimated	Incurred to date
Mileage	200	-
Total expenses	200	-

Specific approval is required before these costs and expenses can to be drawn from the administration estate, which was approved by the general body of creditors on 13 July 2022.

Remuneration and detailed information

Detailed information

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 leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

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