

The Insolvency Act 1986

Administrators' progress report

| | |
|---------------------------------------------------------------------------|-----------------------------------|
| Name of Company Purple Consultancy Limited – In Administration | Company number 03997357 |
| In The High Court of Justice Chancery Division [full name of court] | Court case number 1181 of 2016 |

(a) Insert full name(s) and address(es) of administrator(s)

We, Simon Harris and Mark Supperstone of ReSolve Partners Limited, 48 Warwick Street, London, W1B 5NL

Joint Administrators of the above company attach a progress report for the period

from

to

(b) 4 March 2016

(b) 3 September 2016

(b) Insert dates

Signed

Joint Administrator

Dated

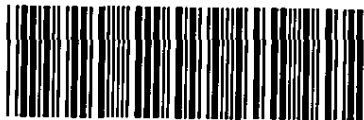
27/09/16

Contact Details

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

| | |
|--------------------------|-------------|
| ReSolve Partners Limited | |
| Evelyn Sanchez | |
| Tel 020 7702 9775 | |
| DX Number | DX Exchange |

WEDNESDAY



A09 *A5GH8NZL* #207
28/09/2016
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

**Purple Consultancy Limited
In Administration (the Company)**

**Joint Administrators' six month progress report
For the period 4 March 2016 to 3 September 2016**

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1. INTRODUCTION

As you may be aware, Simon Harris and I were appointed as Joint Administrators of the Company on 4 March 2016. This report is my first report on the progress of the Administration to date.

Please find attached the statutory information relating to the Company at **Appendix I**.

2 ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Since my appointment I have undertaken the following actions:

- Liaised with the landlord of the Company's trading premises to offer an informal surrender of any lease/rental agreement.
- Instructed solicitors, Bird and Bird LLP, to assist with the sale of certain of the Company's assets to Gemini.
- Instructed agents, ITC Valuers, to provide a valuation and removal for safeguarding of the Company's tangible assets located at its trading premises.
- Arranged for all electronic records to be secured and backed up, including the Company's servers.
- Raised outstanding invoices in respect of temporary contractors and permanent staff.
- Notified Willis of the appointment in order to arrange open cover insurance over the Company's assets.
- Communicated with all employees confirming their termination of employment and assisted with the completion of employee claims.
- Continued to liaise with ABN AMRO Commercial Finance PLC (ABN) in respect of the ongoing collectability of the debtors ledger.
- Liaised with the Redundancy Payments Service (RPS) and the former employees regarding their claims.
- Contacted the Company's bankers regarding the closure of the pre-appointment bank account and liaised with Barclays Bank PLC (Barclays) in respect of the set off charged on the cash at bank.
- Liaised with the Director in respect of the directors' loan account as recorded in the books and records of the Company.
- Liaised with unsecured creditors regarding claims and enquiries.
- Completed the Joint Administrators' proposals and this progress report.
- Completed my investigations into the Company's affairs and lodged my investigations with the Departments of Business, Skills and Innovations, and
- Addressed all of my statutory duties associated with the Administration of the Company.

3 RECEIPTS AND PAYMENTS

My receipts and payments account for the period from 4 March 2016 to 3 September 2016 is attached at **Appendix II**.

4 ASSETS

Cash at Bank

At the time of my appointment the balance on the Company's bank account was £168,697 however, Barclays put the Company on notice it intended to offset these sums against monies owed under a business loan

I therefore requested Barclays to provide details confirming what basis it was entitled to offset these sums, in the absence of any security Barclays subsequently provided the terms and conditions of the Company's loan in which it confirmed it was entitled to offset sums owed to it against sums held in any Barclays accounts held in the Company's name

Accordingly, Barclays deducted the sum of £158,040 from the Company's pre-appointment account, being the amount due to it under the business loan agreement, and transferred the balance of £10,657 to the Administration

Sale of assets

As you are aware, certain assets of the Company were sold to Gemini People Limited (Gemini) on 9 March 2016 for the sum of £15,000 plus VAT Please refer to the Joint Administrators' proposals for further information

Debtors

The debtors were subject to an invoice finance facility, and as a result the debtors were held as security by ABN ABN advised that the debtors ledger at the time of my appointment was £482,406 and the debt to ABN was £227,379 plus charges

ABN continued to collect debtors following my appointment and it was agreed that once its debt was repaid in full, ABN would transfer the remaining ledger back to the Company together with any surplus collections

A summary of the current position is as follows

| | £ |
|---------------------------------------------------------------------------|---------------|
| Debtor ledger at 4 March 2016 | 482,406 |
| Less Amount due to ABN AMRO | (227,379) |
| Less Collect out fee due to ABN AMRO | (65,956) |
| Surplus available to the Administration | 189,071 |
| Less Amount collected by ABN AMRO to be contributed to the Administration | (115,346) |
| Balance | 73,725 |

As ABN have now been repaid in full, it will transfer the sum of £115,346 to the Company's Administration account in due course

Work in Progress (WIP)

The collections in respect of WIP debtors are ongoing and I have issued demands for payment to all WIP debtors To date the sum of £5,425 plus VAT has been collected subsequent to the period of this report

Other assets

As creditors are aware, I was looking into an outstanding director's loan account of circa £95,000 However upon review of the records and discussions held with the director, it was established that the amount related to the director's salary

Therefore the amount is not collectable

5 DIVIDEND PROSPECTS

Secured creditors

On 15 March 2013, the Company granted a fixed and floating charge to ABN which was subsequently registered with Companies House on 27 March 2013

As mentioned in Section four, ABN continued to collect the Company's debtors and its debt has been repaid in full

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (that is, the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. As ABN has been paid in full out of specifically pledged assets, the prescribed part provisions will not apply.

Preferential creditors

The Statement of Affairs anticipated 17 preferential creditors with claims totaling £95,887. As per the Joint Administrators' proposals, the estimated preferential element for arrears of wages and holiday pay is £14,030.

I am yet to receive the RPO's claim in the Administration which would enable me to calculate the preferential claim.

Non-preferential unsecured creditors

The Statement of Affairs included 36 unsecured creditors with an estimated total liability of £340,563. I have received claims from 16 creditors at a total of £218,695.

As previously advised, the Company granted a floating charge to ABN on 15 March 2013. However in this instance the prescribed part provisions will not apply as ABN has been fully repaid out of specifically pledged assets.

Unsecured creditors will be notified of any prospective dividend in due course.

6 INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. I took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Joint Administrator, I am required to submit a confidential report to the Department of Business, Innovation and Skills to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I confirm that my report has been submitted.

7 PRE-ADMINISTRATION COSTS

On 22 April 2016 the Joint Administrators' pre-appointment fees and costs in the amount of £35,158 plus VAT were approved by creditors.

As detailed in my previous report, prior to the Administration £10,000 plus VAT was paid by the Company towards the Joint Administrators' pre-appointment fees. The balance of £25,158 plus VAT will be drawn from the assets of the Company as and when funds allow.

8 ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised at a meeting of creditors on 22 April 2016 to be drawn on a time cost basis. My time costs to 3 September 2016 amount to £57,430 representing 201 of hours work at an average charge out rate of £286 per hour. I have drawn £15,000 plus VAT to date.

A schedule of my charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies after 1 October 2015. A hard copy can be obtained on request, free of charge, from this office.

9 ADMINISTRATORS' EXPENSES

My expenses to 3 September 2016 amount to £704. Of the total, £101, was incurred in respect to category 2 disbursements. I confirm the basis of charging category 2 disbursements was approved by creditors on 22 April 2016.

I have not yet drawn expenses in this matter.

The following expenses were incurred but have not been paid.

| Type of expense | Amount incurred to date £ | Paid |
|------------------|------------------------------|------|
| Bond insurance | 264 | No |
| Company Searches | 12 | No |
| Court fees | 60 | No |
| IT Support | 135 | No |
| Postage | 85 | No |
| Travel | 47 | No |
| Total | 603 | |

Category 2 disbursements incurred relates to printing and stationary of £101.

The following agents or professional advisors have been utilised in this matter.

| Professional Advisor | Nature of Work | Fee Arrangement | Fees incurred to date £ | Paid |
|----------------------|-------------------|-----------------|----------------------------|------|
| ITC Valuers | Valuer/Auctioneer | Time costs | 2,500 | No |
| Bird and Bird LLP | Solicitors | Time costs | 6,000 | Yes |

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

10 FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners Limited, 48 Warwick Street, London, W1B 5NL or by email to simon.harris@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk, or you may phone 0845 602 9848. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Supperstone's, Mr Harris' or Mr Woodthorpe's regulatory body.

11. SUMMARY

The Administration will remain open until the following matters have been finalised. Below is a summary of tasks to be completed before finalising the Administration:

- Realise the balance of the debtors ledger
- Realise the balance of the WIP, and
- Complete a distribution to the preferential creditors of the Company

Once these matters have been finalised, and in the event there are sufficient assets remaining to enable a distribution to unsecured creditors, the Administration will be converted to Liquidation, as approved in the proposals.

Should you have any queries in relation to this matter please do not hesitate to contact Evelyn Sanchez of this office.

Yours faithfully
For and on behalf of
Purple Consultancy Limited



Mark Supperstone
Joint Administrator

For enquiries regarding this correspondence please contact

Contact name: Evelyn Sanchez
Phone number: 020 3051 2055
Email: evelyn.sanchez@resolvegroupuk.com

The affairs, business and property of the Company are being managed by the joint administrators.
Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times and without personal liability.
Cameron Gunn, Mark Supperstone, Simon Harns and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

Company information

| | |
|----------------------------|------------------------------------------------------------------|
| Company name | Purple Consultancy Limited |
| Company number | 03997357 |
| Date of incorporation | 19 May 2000 |
| Trading address | Business Design Centre, 52 Upper Street, London N1 0QH |
| Current registered office | c/o ReSolve Partners Limited, 48 Warwick Street, London, W1B 5NL |
| Former registered office | Lynwood House, 373-375 Station Road, Harrow, Middlesex HA1 2AW |
| Principal trading activity | Temporary and permanent employment agency activities |

Appointment details

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of appointment | 4 March 2016 |
| Appointment made by | Directors of the Company |
| Court name and reference | High Court of Justice, Chancery Division 1181 of 2016 |
| Administrators appointed | Mark Supperstone Insolvency Practitioner Number 9734 Simon Harris Insolvency Practitioner Number 11372 |
| Paragraph 100(2) statement | Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone |

Officers of the Company

Directors

| | Appointed | Shareholding |
|-----------------------|-------------|--------------|
| Toby Alan Thwaites | 28 May 2000 | 100% |
| Matthew Gregory Nudds | 1 June 2013 | - |

Company secretary

Toby Alan Thwaites

Share capital

Authorised

5,000 ordinary shares of £0.01 each

Allotted, called up and fully paid

5,000 ordinary shares of £0.01 each

Charges

ABN AMRO Commercial Finance PLC

Fixed and floating charge created on 15 March 2013 and registered on 27 March 2013

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

| | Estimated to Realise - Estimated financial position | 04-Mar-16 to 03-Sep-16 | Total Receipts/ Payments To Date |
|------------------------------------------------------|-----------------------------------------------------------------|------------------------------|-------------------------------------------|
| FIXED CHARGE RECEIPTS | £ | £ | £ |
| Intellectual property | 8,998 00 | 9,999 00 | 9,999 00 |
| Book Debts | 99,842 00 | - | - |
| Database | 1,000 00 | | |
| | <u>109,840 00</u> | <u>9,999 00</u> | <u>9,999 00</u> |
| FIXED CHARGE PAYMENTS | | | |
| Legal Fees | | (6,000 00) | (6,000 00) |
| | | <u>(6,000 00)</u> | <u>(6,000 00)</u> |
| Balance (receipts less payments) c/d | | <u>3,999 00</u> | <u>3,999 00</u> |
| FLOATING CHARGE RECEIPTS | | | |
| Cash at bank | 10,657 00 | 10,656 82 | 10,656 82 |
| WIP | 5,000 00 | 5,000 00 | 5,000 00 |
| Sale of Business | - | 1 00 | 1 00 |
| Office Furniture and Equipment | 5,000 00 | | |
| Contracts (WIP) | 35,568 00 | | |
| | <u>56,225 00</u> | <u>15,657 82</u> | <u>15,657 82</u> |
| FLOATING CHARGE PAYMENTS | | | |
| Office Holders' Fees | | (15,000 00) | (15,000 00) |
| Bank Charges | | (0 24) | (0 24) |
| | | <u>(15,000 24)</u> | <u>(15,000 24)</u> |
| Balance (receipts less payments) c/d | | | <u>657 58</u> |
| BALANCES HELD | | | |
| Fixed charge balance (receipts less payments) b/d | | | 3,999 00 |
| Floating charge balance (receipts less payments) b/d | | | 657 58 |
| TOTAL BALANCES IN HAND | | | <u>4,656 58</u> |

| | |
|-------------------------------------------------------|-----------------|
| BALANCE SUMMARY | |
| Administration current account - non interest bearing | 3,456 38 |
| Net VAT receivable | 1,200 20 |
| TOTAL CASH IN HAND | <u>4,656 58</u> |

Mark Supperstone
Joint Administrator
27 September 2016

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Joint Administrators' charge out rates

The Joint Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016.

| Staff grade | Rate per hour from 1 January 2016 (£) |
|----------------------|---------------------------------------------|
| Principal | 510 |
| Director | 415 |
| Senior Manager | 395 |
| Manager | 340 |
| Assistant Manager | 305 |
| Senior Administrator | 255 |
| Administrator | 195 |
| Junior Administrator | 145 |

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out

Administration and Planning

Case planning/monitoring

- Maintaining physical case files and electronic case details on Insolv
- Case planning and Administration

Cashiering

- Liaising with the Company's bank regarding the closure of the account
- Maintaining and managing the Administrators' cashbook and bank account

Compliance/technical

- Case bordereau

General Administration

- Dealing with the formalities of appointment
- Preparing documentation required and dealing with all routine correspondence
- Review of records

Creditors

Secured

- Reporting to ABN and dealing queries in regards to repayment of the debtors ledger

Unsecured

- Dealing with creditor correspondence and telephone conversations
- Preparing correspondence to HMRC and advising them of our appointment, and
- Maintaining creditor information on Insolv

Employees

- Reviewing queries from contractors
- Liaising with employees and the Redundancy Payments Service with regards to employee claims

Investigations

General Investigations

- Review of books and records

D returns

- Prepared Investigations report and checklists and filed with the Department of Business, Skills and Innovation

Other Investigations

- Reviewing records maintained on the Company's server
- Correspondence with director

Realisation of Assets

Book Debts

- Preparing demand letters to WIP debtors
- Securing debtor records to enable ABN AMRO to commence collections

Sale of business/assets

- Completing a sale of certain of the Company's assets including
 - Initial correspondence and negotiations with three interested parties
 - Agreeing heads of terms and instructing solicitors to prepare a sale contract
 - Liaising with the proposed purchaser and solicitors in order to complete a sale of certain assets of the Company

Property-freehold and leasehold

- Instructed agents to undertake a valuation of assets located at the trading premises

Other assets

- Reviewing loan agreement with Barclays for basis of offsetting amounts owed to it by the Company

Statutory

Statutory paperwork/form completion

- Ensuring statutory lodgements and tax lodgement obligations are met

Filing documents with CH/Court

- Filing notification of appointment documents with Court and Companies House
- Filing Administrators' proposals and deemed approval with Court and Companies House

Reporting to creditors

- Preparing Administrators proposals
- Preparing Administrators progress report

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

| | PARTNER / DIRECTOR | | MANAGER | | OTHER SENIOR PROFESSIONAL | | TOTAL | | AVERAGE RATE |
|---------------------------------------|--------------------|-----------|---------|-----------|---------------------------|-----------|--------|-----------|--------------|
| | Hours | Cost (£) | Hours | Cost (£) | Hours | Cost (£) | Hours | Cost (£) | |
| Administration & Planning | | | | | | | | | |
| Case planning / monitoring | 4.00 | 1,743.00 | 4.00 | 1,325.00 | 4.00 | 780.00 | 12.00 | 3,848.00 | 320.67 |
| Cashiering | | | 0.40 | 78.00 | 2.50 | 487.50 | 2.90 | 565.50 | 195.00 |
| Compliance / technical | | | 1.00 | 340.00 | - | | 1.00 | 340.00 | 340.00 |
| General administration | 0.60 | 306.00 | 5.30 | 1,627.00 | 4.10 | 799.50 | 10.00 | 2,732.50 | 273.25 |
| | 4.60 | 2,049.00 | 10.70 | 3,370.00 | 10.60 | 2,067.00 | 25.90 | 7,486.00 | 289.03 |
| Creditors | | | | | | | | | |
| Secured | 3.80 | 1,861.00 | 6.60 | 2,111.00 | - | | 10.40 | 3,972.00 | 381.92 |
| Unsecured | 2.50 | 1,187.00 | 21.60 | 6,866.50 | 19.90 | 3,880.50 | 44.00 | 11,934.00 | 271.23 |
| Employees | 0.30 | 153.00 | | | 9.20 | 1,794.00 | 9.50 | 1,947.00 | 204.96 |
| | 6.60 | 3,201.00 | 28.20 | 8,977.50 | 29.10 | 5,674.50 | 63.90 | 17,853.00 | 279.39 |
| Investigations | | | | | | | | | |
| General investigation | | | | | 1.50 | 292.50 | 1.50 | 292.50 | 195.00 |
| D returns | | | | | 6.10 | 1,189.50 | 6.10 | 1,189.50 | 195.00 |
| Other investigation | | | | | 2.10 | 409.50 | 2.10 | 409.50 | 195.00 |
| | | | | | 9.70 | 1,891.50 | 9.70 | 1,891.50 | 195.00 |
| Realisation of Assets | | | | | | | | | |
| Book debts | 3.00 | 1,482.50 | 12.10 | 3,848.00 | 13.00 | 2,535.00 | 28.10 | 7,865.50 | 279.91 |
| Sale of business / assets | 4.80 | 1,975.00 | 22.20 | 6,925.00 | 5.00 | 975.00 | 32.00 | 9,875.00 | 308.59 |
| Property freehold and leasehold | 1.00 | 510.00 | | | 2.00 | 390.00 | 3.00 | 900.00 | 300.00 |
| Other assets | 2.70 | 1,377.00 | 1.30 | 431.50 | 4.80 | 936.00 | 8.80 | 2,744.50 | 311.88 |
| | 11.50 | 5,344.50 | 35.60 | 11,204.50 | 24.80 | 4,836.00 | 71.90 | 21,385.00 | 297.43 |
| Statutory | | | | | | | | | |
| Statutory paperwork / form completion | 0.20 | 102.00 | 8.50 | 2,610.00 | 5.30 | 1,033.50 | 14.00 | 3,745.50 | 267.54 |
| Filing documents with CH / Court | 0.20 | 102.00 | | | 0.50 | 97.50 | 0.70 | 199.50 | 285.00 |
| Reporting to creditors | 4.10 | 1,838.00 | 9.30 | 2,836.50 | 1.00 | 195.00 | 14.40 | 4,869.50 | 338.16 |
| | 4.50 | 2,042.00 | 17.80 | 5,446.50 | 6.80 | 1,326.00 | 29.10 | 8,814.50 | 302.90 |
| Total hours and cost | 27.20 | 12,636.50 | 92.30 | 28,998.50 | 81.00 | 15,795.00 | 200.50 | 57,430.00 | 286.43 |