



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

1 Company details

Company number 0 4 4 2 6 8 5 7

Company name in full Fundraising Innovations Limited (in Administration)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Timothy Graham

Surname Vance

3 Administrator's address

Building name/number C/O Ernst & Young LLP

Street 1 Bridgewater Place

Water Lane

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 1 5 Q R

Country United Kingdom

4 Administrator's name ①

Full forename(s) Samuel James

Surname Woodward

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 2 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M 2 3 E Y

Country United Kingdom

② 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 0	^d 1	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2
To date	^d 3	^d 0	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2

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 8	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2
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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 Ayse Hassan

Company name Ernst & Young LLP

Address 2 St Peter's Square

Post town Manchester

County/Region

Postcode

M

2

3

E

Y

Country

United Kingdom

DX

Telephone

+44 161 333 2761

**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

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TO ALL KNOWN CREDITORS

28 October 2022

Ref: TGV/SJW/ST/AH/FUND01

Direct line: +44 (0) 161 333 2761

Email: FILAdministration@parthenon.ey.com

Dear Creditors

Fundraising Innovations Limited (in Administration) (“the Company”)

In the High Court of Justice, Business and Property Courts in Leeds, Insolvencies and Companies List (CHD), Number CR-2022 LDS 000154

On 1 April 2022, the Company entered Administration and T G Vance and S J Woodward were appointed to act as Joint Administrators (“the Joint Administrators”).

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), to provide creditors with a report on the progress of the administration. This report covers the period from 1 April 2022 to 30 September 2022 (“the Period”) and should be read in conjunction with our proposals dated 26 May 2022 (“the Proposals”). Statutory information about the Company, the administration and the office holders is given at Appendix 1.

Summary of progress in the Period

Approval of the Proposals

The Proposals were issued to the Company’s creditors on 26 May 2022.

As detailed in the Proposals, we are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a prescribed part distribution and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986, we did not seek a decision of the creditors on the approval of the Proposals.

As no request for a decision procedure was received from creditors, the Proposals were deemed to be approved on 10 June 2022.

Trading

The Joint Administrators continued to trade following our appointment, providing limited services to a limited number of remaining customers, in order to protect value in the intangible assets whilst a going concern sale of the business and / or its assets was pursued and to protect debtor collections.

To support this and to enable customers to re-source, the Joint Administrators entered into a short-term trading agreement with the largest remaining customer. This agreement was terminated on 24 May 2022 and the Joint Administrators ceased to trade the business on 27 May 2022.

The Company generated post-appointment sales of £105,065 plus VAT, of which £84,658 was collected in the Period. A further £9,607 has been collected outside of the reporting Period and therefore is not reflected in our receipts and payments account at appendix 2. We expect the remainder to be received imminently.

Asset realisations in the Period

Intangible assets

As reported in the Proposals, the Joint Administrators undertook a marketing process to identify a purchaser of the business and/or its assets. This marketing process did not result in any viable offers for the business and assets on a going concern basis and therefore, the Joint Administrators pursued sales of certain of the assets on a piecemeal basis.

Following a further short marketing process, a sale of certain intangible assets relating to Energy Helpline was agreed with Love Energy Savings.com Limited ("LES") and was completed on 30 May 2022 for consideration of £75,000 which has been paid in full during the Period. Certain costs attributed to the transfer of the assets totalling £8,130 have also been paid by the purchaser during the Period.

No further realisations are expected in regard to intangible assets.

Deferred consideration

As reported in our Proposals, the Directors' statement of affairs included a deferred consideration asset (book value of £433,000) relating to the transfer of the Company's shareholding in SaveBySwitching Global Solutions Private Limited ("SBS") to UK Web Media Limited ("UKWM").

Initial consideration for the SBS shares of £45,000 continues to be withheld by UKWM in respect of estimated Indian capital gains tax liabilities arising from the transfer.

The deferred consideration of £433,000 is also contingent upon the collection of a rent deposit relating to the premises in Bangalore and potential Indian tax refunds.

The ultimate timing and quantum of these realisations is highly uncertain. We will provide an update to creditors in our next report.

Office equipment, fixtures and motor vehicles

The Joint Administrators appointed agents, Hilco Valuation Services ("Hilco"), to assist with the disposal of office equipment (substantially IT assets), certain fixings, and a single motor vehicle owned by the Company.

Hilco completed a sale of these assets by private treaty, and consideration has been paid in full in the Period as follows; Office Equipment £11,500 plus VAT; and Motor Vehicle £4,000 excluding VAT.

In addition to the above, the Company's shareholder, Comparison Technology Limited ("CTL") made an offer to purchase the remaining office equipment for £16,100 plus VAT, and the fixtures and fittings for £6,000 plus VAT, which upon Hilco's recommendation we accepted. Consideration has been paid in full in the Period.

Trade debtors

During the Period, pre-appointment trade debtor balances totalling £201,271 have been collected out of a collectable ledger of £204,962 (98%). An additional sum of £1,200 was realised in the Period relating to pre-appointment debts which weren't on the ledger at appointment. We will continue to pursue the outstanding balances.

Accrued income

During the Period, subsequently invoiced accrued income as at the date of appointment totalled £102,188 plus VAT with £90,789 plus VAT collected (89%). The remainder has subsequently been collected in full after the Period end date.

Claims in estates of insolvent energy providers

As at the date of our appointment, the Company had incurred bad debts relating to insolvent energy suppliers totaling c.£963,000 from 21 different companies. Unsecured claims have been lodged in the insolvent estates of these companies. These amounts were initially excluded from the Directors' Statement of Affairs.

We have reviewed available proposals, creditor reports and other communications to identify where insolvency practitioners have indicated dividend prospects, although the quantum and timing of any dividend is uncertain and subject to the outcome and progression of each individual insolvency process.

During the Period, distributions of £19,602 were received from unsecured claims.

The Joint Administrators continue to pursue further realisations from these claims.

Intercompany debts

The Directors' Statement of Affairs included an intercompany debt of c.£117,000 owed by UKWM to the Company in relation to intra-group trading and recharges. This balance is offset by an intercompany creditor due to UKWM and therefore, no recoveries are expected from this source.

Prepayments

At the time of our Proposals, recoveries in respect of prepayments totalled £2,287 and we had not anticipated any further realisations in respect of prepayment balances outstanding at the time of the Joint Administrators' appointment.

Subsequently, a further £1,469 relating to a pre-appointment insurance policy was received bringing total realisations to £3,756 as at 30 September 2022. No further realisations are anticipated from this source.

HMRC – VAT receivable

As noted in our Proposals, there was a VAT receivable of £159,253 due from HM Revenue & Customs (“HMRC”) as per the Directors’ Statement of Affairs. Upon further investigation we have concluded that this amount is not recoverable.

Bank interest

Bank interest received in respect of funds held in the administration current accounts totaled £224 at 30 September 2022.

Receipts and payments account

A summary of our receipts and payments for the Period from 1 April 2022 to 30 September 2022 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

Other Matters

Investigations

We have undertaken an investigation into the Company’s affairs prior to our appointment pursuant to Statement of Insolvency practice 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986, with the necessary confidential returns made to the Insolvency Service on 29 June 2022. No investigations are continuing, and no third-party funding has been provided.

Corporation Tax

The Joint Administrators have instructed EY tax specialists to prepare corporation tax returns for the Company as the date of the appointment, and for subsequent periods during the Administration, as required. These returns will be prepared and submitted in due course.

VAT

The Joint Administrators sent notice of their appointment in the prescribed Form VAT769 shortly following appointment. The Company was a member of a VAT group, however, as the Company was not the representative member or group controller of the VAT group it was removed from the VAT group on 11 April 2022 in accordance with HMRC policy.

The Joint Administrators submitted an application to register the Company for a standalone VAT registration and this application was submitted on 20 April 2022. We are yet to receive confirmation from HMRC that the VAT registration has been completed. We understand that HMRC are still experiencing delays as a result of the COVID-19 pandemic.

Dividend prospects

Secured creditors

HSBC

As noted in the Proposals, the Company forms part of a wider group (“the Group”), the other entities within the Group remain outside of this insolvency process.

The Group's term debt to HSBC Bank Plc ("HSBC") is £21.1m which is cross guaranteed by the other entities in the Group. HSBC holds a debenture over the assets of the Company. The debenture was created on 12 April 2019. In addition, on 16 March 2022 a charge was created in favour of HSBC in relation to the Deferred Consideration, assigning HSBC fixed charge security over the asset.

The Joint Administrators anticipate there will be a significant shortfall to HSBC.

Inflexion

The Group's outstanding debt to Inflexion is £8.7m. Inflexion's also holds a debenture and cross guarantee but is subordinated to HSBC via an intercreditor deed. The charge was created on 17 April 2018.

We do not anticipate Inflexion will receive any recoveries from the Company under its security.

Preferential creditors

Based on the Directors' Statement of Affairs, preferential creditors are estimated to be £51,176, relating to the PAYE/NI liability for the February 2022 payroll.

Although there were no direct employees of the Company, CTL previously paid the PAYE/NI liability using a PAYE/NI reference in the name of the Company.

Based on the current estimate of preferential claims and the value of assets realised to date, we currently estimate that preferential claims will be paid in full.

Non-preferential unsecured creditors

The Directors' Statement of Affairs estimates that non-preferential unsecured creditors will amount to c.£6.8m with the largest unsecured creditor being Compare the Market Limited at c.£5.3m.

The remainder includes intercompany creditors totalling c.£1.1m and other third-party trade creditors of c.£0.4m.

Unsecured creditor claims may ultimately be higher due to contingent claims or other non-preferential creditor amounts not included in the Company's records.

To date, the Joint Administrators have received two unsecured claims totalling £2,769 from trade creditors. In addition, Compare the Market Limited have submitted a claim of £5.5m. We have not yet adjudicated on these claims.

It is not anticipated that there will be sufficient realisations to enable a distribution to the non-preferential creditors other than by virtue of the Prescribed Part.

Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The secured creditors' floating charges were created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this administration.

It is too early to accurately predict the quantum of the Prescribed Part as it is reliant on future asset realisations which are uncertain. However, the Joint Administrators estimate, to the best of their knowledge, that:

- ▶ The value of the Company's net property will range from £114,000 to £329,000; and
- ▶ The value of the prescribed part, before the costs of dealing with the prescribed part, will range from £24,000 to £27,000.

The prescribed part may vary from the estimate provided within the Statement of Affairs.

The Joint Administrators do not currently intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the Prescribed Part. However, this remains a possibility.

Joint administrators' remuneration

Basis of remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As creditors have not requisitioned a decision on the Proposals and a creditors' committee has not been formed, the Joint Administrators have sought approval for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration, in accordance with the Fee estimate and Statement of Expenses dated 26 May 2022.

On 2 August 2022, the Joint Administrators obtained approval from one of the Company's secured creditors, HSBC, that:

our remuneration will be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration as set out in the fees estimate dated 26 May 2022; and

in accordance with the provisions of Rule 3.52 of the Insolvency (England and Wales) Rules 2016, the payment of unpaid pre administration costs as disclosed in the Joint Administrators' statement of expenses and proposals to creditors can be met as an expense of the administration.

The Joint Administrators will be seeking approval from the remaining secured creditor, Inflexion, and a decision by the preferential creditors for the basis of our remuneration, and Category 2 expenses and

approval to draw unpaid pre-administration costs incurred with a view to the company entering administration in accordance with Rule 18.18(4) of the Rules after the Period of this report.

From the date of our appointment to 30 September 2022, we have incurred time costs of £264,391. These costs represent 730.4 hours at an average rate of £362 per hour. During the Period, we did not draw any remuneration.

Our current time costs exceed our fee estimate by £24,081. We are preparing a revised fee estimate and we will not draw remuneration in excess of the fee estimate without the prior approval of the secured and preferential creditors.

An analysis of the time spent, and a comparison with the fee estimate dated 26 May 2022 is attached at Appendix 4 to this report.

Joint Administrators' statement of expenses incurred

During the Period covered by this report, we have paid expenses in the Period totalling £58,998 plus VAT. There is a breakdown of expenses incurred in the Period at Appendix 3 of this report.

Expenses have not exceeded the original fee estimate dated 26 May 2022.

Pre-Administration costs

As noted in the Proposals, the Joint Administrators have sought approval for payment of unpaid pre-administration costs totalling £52,845 plus VAT. The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52, and not part of the Proposals subject to approval under paragraph 53. This means that they must be approved separately from the Proposals.

At the time of this report, the decision to allow the payment of unpaid pre-administration costs totalling £52,845 plus VAT has not been made. The Joint Administrators have received the approval of HSBC, as a secured creditor, and will shortly seek the approval of Inflexion, as secured creditor, and a decision by preferential creditors in accordance with Rule 3.52.

Payments to other professionals

The Joint Administrators engaged the following professionals to assist in the administration of the Company during the Period:

Name of firm	Service	How contracted to be paid	Amount paid in period (£)
Addleshaw Goddard	Legal advice	Time costs	21,505
Hilco Asset Appraisal	Asset valuations and advice	Fixed fee	13,500
Total			35,005

Future conduct of the Administration

The Joint Administrators will continue to manage the affairs of the Company in accordance with our statutory duties and in order to achieve the purpose of the administration. We expect that this will include but will not be limited to:

Preparing and submitting the necessary Corporation Tax and VAT returns for the period of the Administration and seeking clearance from HMRC in due course;

Continuing to pursue the realisation of any outstanding debtor balances and bad debts, including exploring the claims against insolvent energy providers' estates;

Finalising all other asset realisations, including the deferred consideration;

Continuing to correspond with key stakeholders and creditors, including providing regular updates on the progress of the Administration;

If appropriate, seeking an extension of the Administration;

Paying a dividend to the secured creditor(s), where appropriate;

Adjudicating preferential creditor claims and paying a dividend to preferential creditors;

Adjudicating the Company's unsecured creditor claims and paying a dividend to unsecured creditors under the Prescribed Part;


Discharging any outstanding costs and expenses of the Administration; and

Taking any other such actions the Joint Administrators consider, in their reasonable opinion, are necessary and/or expedient to fulfil the purpose of the Administration and bring to a conclusion.

Next report

We will report to you again within the next 6 months, or at the conclusion of the Administration, whichever is sooner.

Yours faithfully
for and on behalf of
Fundraising Innovations Limited (in Administration)



Timothy Vance
Joint Administrator

Enc: Appendix 1 – Statutory and Company information
Appendix 2 – Joint Administrators' receipts and payments account for the Period
Appendix 3 – Summary of Joint Administrators' expenses incurred in the Period
Appendix 4 – Summary of Joint Administrators' time costs in the Period

Timothy Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland. Samuel James Woodward is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, Timothy Vance and Samuel James Woodward, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	The High Court of Justice, Business and Property Courts in Leeds, Insolvencies and Companies List (CHD)
Court reference:	CR-2022 LDS 000154
Registered name of the Company:	Fundraising Innovations Limited (in Administration)
Registered office address of the Company:	1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Previous registered address of the Company:	The Ridge Golf Club, Chartway Street, Sutton Valence, Maidstone, ME17 3JB
Registered number:	04426857
Date of appointment of the Joint Administrators:	1 April 2022
Details of any changes of administrator:	None
Full names of the Joint Administrators:	Timothy Graham Vance and Samuel James Woodward
Office holder number(s):	26710 and 12030
Joint Administrators' address(es):	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR Ernst & Young LLP, 2 St. Peter's Square, Manchester, M2 3EY
Telephone number:	0161 333 2761
Name of alternative person to contact with enquiries about the case:	Ayşe Hassan

Appendix 2

Fundraising Innovations Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments in the Period from 1 April 2022 to 30 September 2022

Statement of affairs £		From 01/04/2022 To 30/09/2022 £
	POST APPOINTMENT SALES	
	Sales	84,657.59
		<u>84,657.59</u>
	TRADING OVERHEADS	
	Indirect Labour	(9,140.00)
	IT Costs	(8,959.37)
	IT Support	(1,050.00)
		<u>(19,149.37)</u>
	Trading Surplus/(Deficit)	<u>65,508.22</u>
	FIXED CHARGE REALISATIONS	
217,000.00	Deferred Consideration	-
4,000.00	Leasehold Improvements	-
250,000.00	Intellectual Property Consideration	75,000.00
	Bank Interest	32.40
	Purchasers contribution to costs	8,130.00
		<u>83,162.40</u>
	FIXED CHARGE EXPENSES	
	Bank charges and interest	(0.30)
	Agents' Fees	(8,500.00)
	Legal Fees	(5,000.00)
		<u>(13,500.30)</u>
	FLOATING CHARGE REALISATIONS	
	Accrued Income	90,788.83
10,000.00	Office Equipment	27,600.00
	Fixtures and Fittings	6,000.00
	Motor Vehicles	4,000.00
150,000.00	Debtors not subj to Fx Ch	202,471.04
	Sundry Income - Prepayments	3,755.95
50,000.00	Bad debtors	19,601.83
	Bank Interest	192.04
		<u>354,409.69</u>
	FLOATING CHARGE EXPENSES	
	Agents' Fees	(5,000.00)
	Legal Fees	(20,515.03)
	Statutory Advertising	(103.50)
	Insurance Premium Tax	-
	Insurance	(725.54)
	Bank charges and interest	(4.20)
		<u>(26,348.27)</u>

TRADING SURPLUS	
Trading Surplus/(Deficit)	<u>65,508.22</u>
	65,508.22
Net Receipts/(Payments)	<u>463,231.74</u>
REPRESENTED BY	
Cash at bank	499,933.82
VAT Receivable / (Payable)	<u>(36,702.08)</u>
	<u>463,231.74</u>

Notes

1. Receipts and payments are stated net of VAT.

Appendix 3

Fundraising Innovations Limited (in Administration)

Summary of Joint Administrators' expenses incurred in the Period from 1 April 2022 to 30 September 2022

	Per fee estimate £	Paid in the Period £	Outstanding £
Payments which are not disbursements			
Agents' Fees	14,000	13,500	500
Legal Fees	45,000	25,515	19,485
Statutory Advertising	250	104	147
Insurance	5,000	726	4,274
Storage costs	2,500	-	2,500
IT costs	65,000	8,959	56,041
Indirect Labour	-	9,140	-
IT Support	-	1,050	-
Sundry	5,000	-	5,000
Bank charges and interest	1,000	5	996
Total	137,750	58,998	88,942
Category 1 Disbursements			
Postage and printing	1,000	150	850
Domain name renewal	500	276	224
Specific bond	200	20	180
Parking	-	10	-
	1,700	456	1,254
Category 2 Disbursements			
n/a	nil	nil	nil

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2

Appendix 4

Fundraising Innovations Limited (in Administration)

**Joint Administrators' time costs for the Period
from 1 April 2022 to 30 September 2022
and a comparison with the fee estimate dated 26 May 2022**

	Per Fee Estimate			Actual the Period		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	71.8	22,470.0	313	114.5	34,687.50	303
Creditors	68.0	16,991.0	250	37.5	10,191.00	272
Debtors	34.2	11,186.0	327	58.7	19,226.00	328
Employees	6.1	2,051.5	336	3.1	1,181.50	381
Immediate Tasks	6.0	1,750.0	292	6.0	1,750.00	292
Investigation & CDDA	24.0	6,570.0	274	39.2	10,280.50	262
Other Assets	185.5	82,197.5	443	184.7	81,492.50	441
Other Matters	34.5	16,762.5	486	49.2	23,607.50	480
Reporting	66.5	27,150.0	408	65.5	24,505.00	374
Statutory Duties	87.5	27,625.0	316	95.7	30,386.00	318
Trading	39.8	14,481.5	364	52.7	19,409.00	368
VAT & Taxation	34.2	11,074.5	324	23.6	7,674.00	325
Total	658.1	240,309.50	365	730.4	264,390.50	362

As noted, time costs incurred to date have exceeded our initial fee estimate by £24,081. The principal reasons for exceeding the fee estimate are as follows:

Category	Explanation of increase in time costs incurred
Administration and Planning	An additional £12,218 of time costs have been incurred due to an increased amount of time spent on management of the case, including treasury and accounting functions, in part due to the continued use of the pre-appointment bank account by debtors, despite instructions from the Joint Administrators requesting debtors to use the Joint Administrators' bank account.
Debtors	An additional £8,040 of time costs have been incurred in following up outstanding debts due to some creditors challenging the VAT registration status of the Company and following processes to update bank details. In addition, we have also incurred time costs in investigating bad debtor balances to realise additional assets for the benefit of creditors which was not anticipated within our original fee estimate.
Investigation and CDDA	An additional £3,710 of time costs have been incurred in investigating the pre-appointment transfer of the SBS shares and corresponding deferred consideration balance in addition to the intercompany debtor and creditor positions to ascertain whether any recoveries would be likely. In addition, there was some complexity in ensuring critical records relating to the Company only were extracted and then deleted from the Group's IT systems which were continuing to operate.
Other Matters	An additional £6,845 of time costs have been incurred on Other Matters. This is mainly due to the transfer of domain names and statutory requirements under GDPR regulations being more onerous than anticipated. Additional costs also relate to time spent investigating the intercompany position.
Statutory Duties	An additional £2,761 of time costs have been incurred due to an increased amount of time spent dealing with statutory duties immediately following appointment, including the preparation of the Proposals.
Trading	An additional £4,927.5 of time costs have been incurred on trading due to issues arising during the process and ensuring an orderly wind down of operations through closure of the website and servers, taking steps to request the deletion of all data and working with suppliers to settle all administration trading costs.

Outlined in the table below is supporting narrative explanation as to the work undertaken during the Period. This information is detailed on a category by category basis, aligned to the reporting of time costs in the tables on the preceding pages of this appendix.

Category of work	Description of work completed
Administration and Planning	Overall management of the case, treasury and accounting functions, statutory compliance monitoring and time cost monitoring and reporting. This has included ensuring statutory compliance diaries are completed to reflect work done on the appropriate date. Treasury and accounting functions including: processing payments for services appropriately; processing receipts from asset realisations appropriately and ensuring bank accounts have been reconciled regularly. Time cost reports have been produced for the purposes of the progress report.
Creditors	Notification to all creditors of Administrators' appointment. Correspondence with creditors. Reporting to stakeholders.
Debtors	Collection of the debtor book and interaction with customers. Monitoring and recording cash receipts. Invoicing and collection of accrued income. Investigation of bad debtor balances and liaising with the insolvent estates of bad debtors to ensure records are updated and claims have been submitted. Realising value from prepayments.
Employee Matters	Although there are no employee contracts within the Company, certain administrative tasks are still required to be undertaken by the Administrators, such as S120 Pension searches etc.
Investigation and CDDA	Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". Preparing the Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986.
Immediate Tasks	Carrying out on appointment tasks and duties such as speaking with the Company's directors, issuing correspondence notifying third parties of the appointment, collating information. Securing books, records, data and intellectual property of the Company ensuring necessary IT suppliers had been contacted to ensure the continuation of service to IT platforms and servers as necessary to preserve data. Completion of other work streams requiring immediate attention following appointment in order to effectively execute the strategy outlined in the Proposals.
Other assets	Work to complete the subsequently aborted sale of the business and assets, including detailed work to prepare an IT migration plan, negotiation of the Sale and Purchase Agreement and a Transitional Services Agreement

Category of work	Description of work completed
Other Matters	Additional marketing process required to seek alternative acquirers for the assets, including discussions with buyers and relevant IT consultants to facilitate diligence
	Engaging agents to dispose of other assets such as fixtures and fittings, motor vehicle.
	Undertaking work to realise value in other assets such as prepayments.
	Discussions and analysis with the Company directors, management, legal advisors and IT consultants with regard to the treatment of customer data, GDPR and data issues regarding third parties
	Investigations into the intercompany position
Reporting	Responding to press enquiries
	Reporting to the secured creditor
	Preparation of the Administrators' Proposals
	Reporting to creditors and other stakeholders
Statutory Duties	Preparing the progress report
	Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.
	Seeking approval from the secured creditors for the Joint Administrators' basis of remuneration.
Trading	Continuation of service provision for a limited number of customers to support the proposed going concern sale and to enable customers to re-source supply
	Negotiation of a customer agreement
	Issuing communications to customers to keep them informed of the progress of the Administration
VAT & Taxation	Dealing with issues pertaining to the ongoing trading of the business, including liaison with IT consultants and CTL
	Notify HM Revenue & Customs of the administration for VAT and Tax purpose
	Removing the Company from the Group VAT registration and file necessary forms to register the Company for VAT
	Extensive follow up with HMRC to understand the VAT registration status of the Company
	Investigation of the Company's VAT and corporation tax position up to the date of appointment, including investigation of recoverable amounts
	The Joint Administrators will prepare corporation tax returns and VAT returns, with input from EY VAT and tax specialists