

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number 0 5 2 1 7 1 7 6

Company name in full Abacus Print Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Richard Jeffrey

Surname Rones

3 Administrator's address

Building name/number 311 High Road

Street Loughton

Post town Essex

County/Region

Postcode I G 1 0 1 A H

Country United Kingdom

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator


Use this section to tell us about
another administrator.

AM03
Notice of Administrator’s Proposals

6 Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7 Sign and date

Administrator's Signature	Signature ✕  ✕									
Signature date	<table><tr><td>^d 2</td><td>^d 5</td><td>^m 0</td><td>^m 5</td><td>^y 2</td><td>^y 0</td><td>^y 2</td><td>^y 2</td></tr></table>	^d 2	^d 5	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2	
^d 2	^d 5	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2			

AM03

Notice of Administrator's Proposals



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 Georgina Rones

Company name ThorntonRones Ltd

Address 311 High Road
Loughton

Post town Essex, IG10 1AH

County/Region

Postcode

Country

DX

Telephone 0208 418 9333



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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

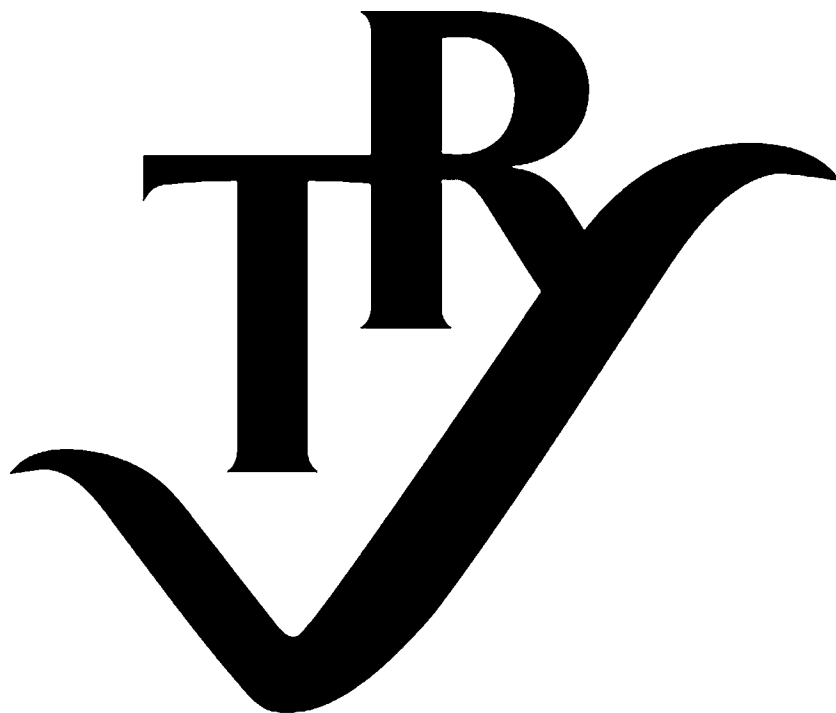


Further information

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

Abacus Print Limited
– In Administration



**Administrator's Report and Statement of
Proposals Pursuant to
Paragraph 49 of Schedule B1**

25 May 2022

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1 INTRODUCTION AND BACKGROUND

- 1.1 This Statement of Proposals is prepared pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 ("the Act") in relation to the Company, the purposes of which are to provide creditors with a report about the present position and to set out the Administrator's proposals for achieving an Administration objective.
- 1.2 The Statement of Proposals also contains information for creditors in accordance with the Insolvency (England and Wales) Rules 2016 ("the Rules")
- 1.3 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 26 May 2022.
- 1.4 Information about the way that we will use and store personal data on insolvency appointments can be found in the attached Privacy Notice.

Background

- 1.5 Abacus Print Limited ("the Company") was incorporated on 27 August 2004 with the principal activity of the provision of printing services. A large proportion of the Company's turnover is accounted for through the supply of print to the retail and hospitality sectors.
- 1.6 The Company has latterly traded from 5-7 Atlas Road, Wembley, London HA9 0JH and had a current workforce of six members of staff.
- 1.7 Over the past 24 months, the Company's financial position has been severely impacted, as were many business sectors, by the COVID pandemic and associated lockdown and restriction measures. This resulted in a very significant reduction to the Company's turnover.
- 1.8 In order to support cash flow during this time, a Coronavirus Business Interruption Loan Scheme ("CBILs") was obtained during 2020. Loans were also provided to the Company by the Director throughout 2021 to provide further financial support to the Company during this period.
- 1.9 Whilst the Company's landlords (at that time) were flexible with the Company, having allowed it to initially reduce its rent, this continued expense together with other fixed costs such as rates and insurances had a very detrimental impact on the Company's cash flow.
- 1.10 The Director made the decision at the end of 2021 that the Company should find an alternative way of reducing its fixed costs such as rent and rates by sharing overheads with another printing company. In doing so, the Company was able to reduce its overheads substantially and procure larger premises, all at a significant saving.
- 1.11 Regrettably, due to the liabilities that had accrued as a consequence of the reduced turnover, the Company is not in a position to pay its debts as and when they fall due. This has resulted in the threat of winding up petition(s) being presented by its creditors.
- 1.12 The Director reviewed the financial position of the Company in depth and sought professional advice as to the Company's options. Following this advice, the Director decided to place the Company into Administration in order to protect the interest of the Company's creditors generally.
- 1.13 A Notice of Intention to Appoint an Administrator was issued by the High Court of Justice on 3 March 2022. A further Notice of Intention to Appoint an Administrator was issued on 17 March 2022. The second notice was filed to allow time for all potential purchasers to submit informed offers in order to achieve the outcome of the proposed Administration.
- 1.14 A Notice of Administrator's Appointment was filed with the High Court of Justice on 31 March 2022 appointing myself, Richard Rones of ThorntonRones Ltd, 311 High Road, Loughton, Essex, IG10 1AH (an insolvency practitioner licensed in the UK by The Institute of Chartered Accountants in England and Wales). The appointment was made by the Director.

- 1.15 A moratorium under Part A1 of the Insolvency Act 1986 had not been in force for the Company at any time within the period of 2 years ending with the day on which the Company entered Administration.

Type of proceedings

- 1.16 The proceedings flowing from the Administration appointment will be COMI proceedings as the Company's registered office and trading address is in England and therefore its Centre of Main Interests ("COMI") is considered to be in the United Kingdom.

2 ADMINISTRATION STRATEGY AND OBJECTIVE

- 2.1 The purpose of an Administration is set out in Paragraph 3(1) of Schedule B1 to the Act and in summary, the Administrator must perform his functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern; or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

- 2.2 These objectives form a hierarchy. The rescue of a company is the priority and if this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the secured or preferential creditors.

- 2.3 Immediately prior to appointment, I considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a Company Voluntary Arrangement ("CVA") might be put to creditors.

- 2.4 However, having encouraged the director to review the prospect of the business via cash and profit forecasts, he considered that sufficient funding was not available for the Company to continue. It was therefore considered that the Company did not have sufficient funds to support trading on nor could sufficient funds be accessed immediately on administration to support trading on.

- 2.5 The Director was also not sufficiently confident in the Company being able to meet additional payments towards historical debts going forward as would be the obligation under a CVA, therefore I consider that it is not possible to propose a CVA. I therefore determined that a rescue the Company was unlikely to be achieved.

- 2.6 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation).

- 2.7 The Director was invited to provide information on any parties, of which he were aware, who would be interested in purchasing the business and assets of the Company. The director was also asked to advise of any marketing conducted by the Company prior to approaching ThorntonRones Ltd for advice. I was advised that no previous marketing had been undertaken by the Company nor was the Director aware of any other interested parties whom may wish to acquire the business and assets.

- 2.8 Agents, Kayak Asset Valuation Agents Limited, were then instructed by the Company to market the business and assets of the Company and were advised of all known interested parties.

- 2.9 At the time, based on the availability of funding and the director's ability to financially support the Company, an extended period of trading to market the business was not viable. Therefore it became clear that a sale in the relatively short term was the best outcome for creditors.
- 2.10 Marketing was initially to be undertaken for a period of one week but due to the level of expressions of interest received immediately upon the assets being marketed, it was eventually undertaken for a period of approximately three weeks (21 days). Therefore, it became clear that a sale of the business as a going concern was the best option available to enhance the return to creditors.
- 2.11 In order to provide additional time for interested parties to submit offers, a further Notice of Intention to Appoint Administrator was filed by the Director on 17 March 2022. Accordingly, I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.
- 2.12 The agents' marketing strategy resulted in several expressions of interest. A range of offers were received from £24,000 to £36,000 including additional conditions for a percentage of future profits/turnover generated. The agents advice was to accept the offer of £36,000 plus 7.5% of turnover generated within the first twelve months from The 6IX Agency Limited because this offer was significantly greater in value than any other offer. The offer exceeded both the in-situ and going concern valuations previously provided by the agent.
- 2.13 My agents also confirmed that all attempts had been made in order to drive up the purchasers offer and the offer from The 6IX Agency Limited represents the best price reasonably achievable in the circumstances and that although The 6IX Agency Limited is a connected party (the director and shareholders are the same as the Company), the benefit to the Company's creditors as a whole would be greater than the benefit to the purchaser
- 2.14 I therefore considered that the second Administration objective could be achieved via a pre-packaged sale. The benefits of achieving a pre-packaged sale were the transfer of the employees and the absence of a break in supply of goods and services, this enabled a higher value to be achieved for goodwill/future turnover, a more effective debt collection process and reduction in liabilities as employees would transfer to the new company under TUPE rather than have claims in the Administration (for wage arrears, pay in lieu of notice, redundancy and outstanding holiday pay).
- 2.15 I would comment that as a result of the pre-packaged sale (referred below), this has enabled a more secure, controlled and cost effective realisation of the Company's assets. Accordingly I consider that the second objective will be achieved.
- 2.16 A detailed account of how I will attempt to achieve the objective of the Administration is set out below.
- Pre-Packaged sale
- 2.17 A substantial disposal of the Company's business and assets to a connected party has taken place in the Administration. Further details about this disposal can be found below.
- Sale to a connected person
- 2.18 Regulations were made by the UK government in 2021 (The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 (the Regulations)) with the aim of improving transparency and increasing confidence in sales to connected parties in Administrations.
- 2.19 The result of this is that an Administrator is prohibited from entering into an agreement (which may include a series of transactions) for the disposal, hiring out or sale, of all or a substantial part of a company's business or assets with a connected person, within the first 8 weeks of an Administration, unless either prior creditor approval is obtained, or the proposed purchaser obtains a qualifying report from an independent Evaluator. Such a disposal is known as a

substantial disposal in the context of the Regulations, and it is the Administrator's responsibility to decide whether the Regulations apply to the proposed transaction and whether the purchaser is a connected person or not.

- 2.20 The nature of the transaction and purchaser's connection with the Company mean that in this case, the Regulations apply. In the circumstances, it was considered appropriate to obtain a qualifying report, full details of which are included below.

Qualifying Report

- 2.21 The qualifying report was obtained from the connected purchaser on 25 March 2022. The substantial disposal was made on 31 March 2022 to The 6IX Agency Limited.
- 2.22 The nature of the transaction meant that it was necessary to complete the transaction upon or shortly after my appointment and therefore, in accordance with government guidelines, the purchaser obtained the qualifying report prior to my appointment as Administrator.
- 2.23 The Administrator sent a letter to creditors on 29 April 2022 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of this statement is attached at Appendix G for your information. A copy of the qualifying report provided by an independent Evaluator is also included at Appendix H.
- 2.24 It was not possible to issue these proposals at the same time as the notification of the pre-packaged sale to creditors because I had not received the full financial records of the Company which included a completed statement of affairs by the Director in accordance with Rule 3.29 of the Insolvency Rules 2016.
- 2.25 The qualifying report contains the Evaluator's statement that they are satisfied that the consideration for the relevant property, and the grounds for the substantial disposal are reasonable in the circumstances (ie, that the case has been made for the disposal). The Evaluator's principal reasons for making this statement are detailed in the qualifying report.
- 2.26 The connected party provided the Evaluator with a viability report, a copy of which is attached at Appendix I. This was considered by the Evaluator (amongst other things), when forming the opinion stated in the qualifying report.

Consideration of Proposals by Creditors

- 2.27 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
 - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
 - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals. In this case, I do not think any of the above provisions apply and I am therefore required to seek approval from creditors to my Proposals.

Progress Since Appointment

- 2.28 As outlined above, the statutory objective being pursued in the Administration is to achieve a better result than would be likely if the company were wound up. In addition to the pursuance

of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

- 2.29 This section of the report provides creditors with an update on the progress made since the appointment of Administrator, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.

Administration (including statutory compliance and reporting)

- 2.30 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work may, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.

- 2.31 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising my appointment in the London Gazette, together with preparing these proposals to creditors outlining how the purpose of the Administration may be achieved.

- 2.32 As a pre-packaged sale of the Company's assets and business has taken place, I have also prepared and issued the report on the transaction as required by Statement of Insolvency Practice 16.

- 2.33 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Trading

- 2.34 The Company ceased to trade immediately upon the Administrator's appointment and the business and assets were sold as a pre-packaged sale, referred earlier in these proposals. My principle strategy is to maximise realisations from the Company's assets for the benefit of creditors.

Realisation of assets

- 2.35 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.

Sale of Assets to Connected Parties

- 2.36 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a party connected with the Company:

Assets	Value £
Goodwill, Trading Name, Client List and Intellectual Property Rights	£1,000
IT Equipment and Office Furniture	£1,200
Printing Plant and Machinery	£30,000
Stock	£500
Vehicle	£3,300

- 2.30 The sale consideration totalled £36,000 and required £5,000 to be paid on completion with the balance to be paid via instalments.

2.31 The Sale is part of a wider transaction which potentially includes a further amount payable to the Company in respect of a sum equal to 7.5% of the net sales generated by the Buyer during the twelve-month period commencing on the Completion Date ("the Deferred Consideration").

2.32 I am pleased to report that I have realised £10,000 to date in respect of the sale which was received in accordance with the sale agreement and terms agreed. At the time of writing this report, no sums are outstanding although it should be noted that £5,000 will be due for payment on 31 May 2022.

2.33 I would refer creditors to SIP16 statement attached at Appendix G for further information including the payment terms.

Book Debts

2.34 According to the Company financial records, there were approximately 12 trade debtors who collectively owe £22,520 in respect of services provided prior to Administration.

2.35 Immediately after my appointment, and with the assistance of the Director, I made several requests for payment. These requests have resulted in £96 being realised which has been paid directly into the estate bank account.

2.36 I would advise that I have recently been informed that some debtors had paid the outstanding sum requested on or around the date of Administration. Upon further enquiry, it was established that these debtors had paid directly into the Company's bank account. It is estimated that three debtors have paid sums totalling in excess of £11,000 into the previous bank account operated by the Company. This has not yet been verified, although I am continuing to liaise with the bank in order to procure the statements to verify the debtors assertions. Once verified, I will be requesting that the bank remits these sums to me for the benefit of creditors.

2.37 It is anticipated that the work the Administrator and his staff have undertaken to date will bring a financial benefit to creditors because the level of the anticipated realisations should be sufficient to enable a distribution to creditors.

2.38 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

2.39 I and my staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.

2.40 At the present time, it is anticipated there will be sufficient funds available to make a distribution to creditors. The sections below provide details of the anticipated outcome for each class of creditor and further updates will be provided in the Administrator's subsequent progress reports.

Secured Creditors

2.41 Five Arrows Business Finance PLC holds a fixed charge over the Company's assets, in particular, an historic item of machinery. According to the Director, as at the date of the Administration there was no indebtedness to the secured creditor.

2.42 To date, no such claim has been identified in this regard.

Preferential Creditors

2.43 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among

themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.

- 2.44 A summary of the preferential claims and details of any distributions paid to date can be found below.
- 2.45 I would advise that since my appointment, no ordinary preferential creditors have been identified. It should be explicitly noted that there were six employees who were transferred as part of the Sale in accordance with TUPE regulations. No such claims are expected.
- 2.46 From the available records of the Company, it is estimated that HM Revenue and Customs ("HMRC") are owed approximately £50,000 in respect of outstanding VAT and PAYE/NIC contributions for the final period of trading.
- 2.47 Following my appointment, I have written to HMRC in order to open dialogue and procure their claim in this matter. To date, their claim has not yet been received. As noted above, any claims received from HMRC in relation to VAT and PAYE/NIC will rank as a secondary preferential creditor in these proceedings.
- 2.48 A dividend is anticipated to secondary preferential creditors prior to the conclusion of the Administration. At the appropriate time, further details will be provided to the preferential creditors.

Unsecured Creditors

- 2.49 I have received claims totalling £24,338 from two creditors. I have yet to receive claims from eighteen creditors whose debts are estimated to total £240,458.
- 2.50 Although claims have been received, I have not at this stage formally agreed those claims received at present.
- 2.51 A list of creditors is attached at Appendix C for creditors' information.
- 2.52 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Investigations

- 2.53 Shortly after my appointment, I wrote to the Director to obtain further information on the activities of the Company and the events leading up to the appointment of Administrator. I also requested the submission of a Statement of Affairs of the Company and for the delivery of the books and records of the Company.
- 2.54 Although the Director has neither provided the Company's books and records in their entirety nor provided me with a Statement of Affairs of the Company, I am assured that these will be made available to me imminently.
- 2.55 If appropriate, I will review the options available to me to obtain the Company's books and records so that I can continue my investigations into the Company's affairs. I will continue these efforts to secure the voluntary cooperation of the Director.

- 2.56 Nevertheless, from the information currently available to me, I am continuing to undertake an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment will take into account information provided by creditors as a response to my request to complete an investigation questionnaire.
- 2.57 To date, my investigations have not as yet revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors. However, as my investigations remain at a early stage, I have not yet formally concluded this.
- 2.58 Creditors should note that this review is also assisting me to submit the appropriate report(s) in respect of the conduct of the Company's Director(s) to the Department of Business, Energy and Industrial Strategy pursuant to the Company Director Disqualification Act 1986 ("CDDA"). This report will be submitted within three months of my appointment but creditors are asked to note that the contents thereof are confidential and cannot be disclosed to any third parties.
- 2.59 Although my investigations may not necessarily result in any financial benefit for creditors (unless potential recoveries are identified) it is a statutory requirement. My initial investigations are carried out in accordance with the "best practice" guidance provided for in Statement of Insolvency Practice Number 2 ("SIP2").
- 2.60 Should any creditors have any concerns about the way in which the Company's business has been conducted or have any information about potential recoveries for the estate, please bring this to my attention as soon as practicable.

3 ADMINISTRATOR'S RECEIPTS AND PAYMENTS

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 25 May 2022 is attached at Appendix B.

4 FINANCIAL POSITION

- 4.1 A Statement of the Company's Affairs has not yet been received which the director attributes to his inability to meet with the Company's accountants whom (he claims) would be able to assist him in discharging his duty with this process. The director has however recently confirmed to me that he is now able to be able to prepare this document and that this will be delivered to me imminently.
- 4.2 Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 31 March 2022 together with a list of creditors names and addresses along with details of their debts (including details of any security held by them).
- 4.3 Please note that, as this information has been gleaned from unverified sources, I am unable to confirm the accuracy of the information contained therein. Creditors should also note that the estimated financial position is before the costs of the Administration procedure are considered.

5 PROPOSALS

- 5.1 In the circumstances it is proposed that:
- As Administrator, I continue to manage the business, affairs and property of the Company in order to achieve the objective of the Administration, in particular that:
 - I sell the Company's assets at such time(s) and on such terms as I consider appropriate;

- I investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former office or the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - I do all such things and generally exercise all my powers contained in Schedule 1 of the Insolvency Act 1986 as I consider desirable or expedient at my discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities;
 - I seek an extension to the Administration period if I consider it necessary;
 - As Administrator, I may make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 to the Act. Further, I may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 to the Act where necessary.
 - As Administrator, I end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - In the event that there is no remaining property that might permit a distribution to the Company's creditors, I shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 to the Act; or
 - In the event that I think that a distribution will be made to unsecured creditors (and I have not sought the court's permission, and am otherwise unable, to pay the distribution whilst the Company is in Administration) I shall send to the Registrar of Companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, I will be appointed Liquidator and will be authorised to act in undertaking my duties as Liquidator. Creditors may nominate a different person or person as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved.
 - If appropriate, I may seek to place the Company into Compulsory Liquidation. In such circumstances, I may ask the court to appoint me as Liquidator.
- 5.2 As referred above, if, having realised the assets of the Company the Administrator thinks that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, he proposes filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL.
- 5.3 Court approval is not required to enable the Administrator to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrator may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.4 As referred above, if the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.5 If the Administrator considers it necessary to extend the period of the Administration, he will seek the consent of creditors or the approval of the Court to the extension. Creditors may

consent to an extension for a period of up to one year and the Court can order that the Administrator's term of office be extended for a specified period determined by it.

- 5.6 The creditors can consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration, Category 2 expenses (where charged) and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.7 The basis of the Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him:
- As a percentage of the value of the assets he has to deal with, or
 - By reference to time properly spent by the Administrator and his staff managing the Administration, or
 - As a set amount
- 5.8 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrator be authorised to draw Category 2 expenses as and when funds are available, in accordance with his firm's published tariff. Details of Category 2 expenses charged by the firm can be found at Appendix E.
- 5.9 Where no Creditors' Committee is appointed the remuneration and Category 2 expenses of the Administrator shall be fixed by a decision of creditors or where the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5.10 In this case, the Administrator is seeking to approve the basis of his remuneration as follows:
- By reference to the time properly spent by the Administrator and his staff in attending to matters arising in the Administration
- 5.11 Further details about the proposed fee basis can be found in Section 8 below and Appendix E.
- 5.12 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.
- 5.13 See Section 6 below on Exit Routes for further information on the exit routes available from Administration.

6 EXIT ROUTES

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals I believe that an extension to the period of Administration may be necessary. An extension may be appropriate as the terms agreed within the sale agreement, requires the purchaser to account for a sum equal to a percentage of sales generated by the buyer during the twelve month period commencing on the completion date, being 1 April 2022. Further details are provided within Appendix G concerning the deferred consideration and its payment terms. I will confirm the position to creditors with regards to an extension to the period of Administration within my subsequent progress report(s) in due course

- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

Creditors Voluntary Liquidation

- 6.4 Based on present information, the Administrator thinks a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Administrator will either make an application to Court to enable him to make a distribution to unsecured creditors in the Administration or he will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator of the CVL.
- 6.5 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrator prior to these proposals being approved. Where this occurs, the Administrator will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Liquidator of the subsequent CVL.

Dissolution of the Company

- 6.6 If the Administrator thinks that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured and/or preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.
- 6.7 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

- 6.8 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrator concludes that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrator will become the Liquidator in the subsequent liquidation.

7 PRE-ADMINISTRATION COSTS

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.
- 7.3 The pre-appointment fees charged and expenses incurred by the Administrator are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
ThorntonRones Ltd	Assistance with placing Company into Administration Assistance with marketing of the company & liaising with interested parties & negotiation of the sale to The 6IX Agency Limited	£6,000	NIL	N/A	£6,000
ThorntonRones Ltd	Court filing fees	£50	NIL	N/A	£50

- 7.4 At a Board meeting of the Company on 2 March 2022, it was resolved that ThorntonRones Ltd be paid a fixed fee of £6,000 plus VAT and related expenses for the work performed prior to Administration was necessary to place the Company into Administration.
- 7.5 The pre-appointment fees and expenses above were charged in accordance with the terms of an engagement letter dated 2 March 2022 between the Administrator's firm and the Company, acting by way of its director(s).
- 7.6 I consider that setting my fee in this sum is considered to be fair and reasonable reflection of the work undertaken. This is on the basis that, if my fees were based on time costs incurred, they would exceed this sum. A breakdown of the time costs of the Administrator and his staff incurred prior to Administration. Included within Appendix E are ThorntonRones Ltd's charge out rates and bases of expenses.
- 7.7 A summary of the tasks undertaken in the pre-appointment period are as follows:
- Initial meetings with the Board in order to collate such information as was necessary to understand the business of the Company
 - Undertake a review of the Company's financial affairs, including an analysis of the realisability of the Company's various assets, together with an assessment of the estimate outcome for the creditors. This review was necessary to determine whether the Company was insolvent on a cash flow and/or balance sheet bases
 - Further consultation with the Board to provide best advice as to the Company's options and to ensure that the appropriate course of action was taken in order to safeguard the interests of creditors.
 - Informing the Board of its duties and responsibilities during the Administration process
 - Liaising with agents and potential purchasers
 - Liaising with agents regarding the appraisal of the Company's assets and associated marketing
 - Undertaking such other tasks as were necessary to meet my statutory, regulatory and professional obligations in terms of the preparation, filing and notification of the Administration and my appointment as Administrator.
 - Agreement in principal of pre-packaged sale with purchaser

- 7.8 It was considered necessary to incur these costs and for the Company to engage agents in order to market the assets of the Company. In the circumstances, I consider that this exercise was necessary to further the achievement of an Administration objective, namely a better outcome for creditors generally.
- 7.9 In this case, the above work was also considered necessary to be carried out prior to the appointment of the Administrator because it was not feasible to trade the business post appointment.
- 7.10 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrator's proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

8 ADMINISTRATOR'S REMUNERATION

- 8.1 As Administrator, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where an Administrator seeks agreement to the basis of his remuneration by reference to time properly spent by him and his staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, I am seeking to agree that my remuneration be based on the time properly spent by me and my staff in dealing with the affairs of the Company. My fees estimate and details of the work I propose to undertake, and the expenses I anticipate will be, or are likely to be, incurred in the Administration can be found at Appendix E. Further information on the work done since my appointment to the date of this report can be found in section 2 of this report.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if I consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of my remuneration will be sought as outlined in section 5 of this report.
- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by me and my staff since the date of my appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.
- 8.7 I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.
- 8.8 An Administrator may include details of the remuneration he anticipates will be charged and the expenses he anticipates will be incurred if he becomes the Liquidator in the subsequent CVL. This can be done when seeking approval to the basis of his remuneration as Administrator, or alternatively his fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.9 A copy of "A Creditors' Guide to Administrators' Fees" is attached Appendix K.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 25 May 2022 is attached as Appendix F. As demonstrated by the Estimated Outcome Statement attached at Appendix F, on the basis of the costs incurred to date and the estimated further costs to be incurred in bring the Administration to a conclusion, it is anticipated that there may be sufficient funds to pay a dividend to both preferential and unsecured creditors.
- 9.2 Based on the Estimated Financial Position of the Company the estimated value of the preferential creditors is £50,000 and the unsecured creditors is £309,144. In conjunction with the Estimated Outcome Statement, it is therefore anticipated that the returns to secondary preferential and unsecured creditors will amount to 100p and 2.66p in the pound respectively.
- 9.3 It should be noted that the Company has not granted a floating charge to any class of creditor and therefore I will not be required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 9.4 Because of the possible distribution to both classes of creditor, you are requested to submit claims to ThorntonRones Ltd, 311 High Road, Loughton, Essex IG10 1AH at your earliest opportunity. A Proof of Debt form is provided at Appendix F.

10 Proposals approval and next report

- 10.1 I am seeking a decision of creditors on the approval of my proposals via a virtual meeting of creditors. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Administrator within 5 business days of the date on which the Statement of Proposals was delivered.
- 10.3 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and I will report to you again at this time.

For and on behalf of
Abacus Print Limited



Richard Rones
Administrator

Enc

The affairs, business and property of the Company are being managed by the Administrator who acts as agent of the Company and without personal liability

Appendix A

Statutory Information

1 Company information

Company name	Abacus Print Limited
Trading name(s)	-
Registered number	05217176
Registered office address	ThorntonRones Ltd, 311 High Road, Loughton, Essex, IG10 1AH
Former registered office address	Sovereign House, Graham Road, Harrow, HA3 5RF
Trading address(s)	5-7 Atlas Road, Wembley, London, HA9 0JH
Court details	High Court of Justice, London
Court reference number	CR-2022-000778

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Jonathan Luck	27 August 2004	n/a	500
Secretary			
Alison Luck	27 August 2004	n/a	500

3 Administrator's Details

Name of Administrator	Richard Jeffrey Rones
Address	ThorntonRones Ltd, 311 High Road, Loughton, Essex, IG10 1AH
Telephone Number	0208 418 9333
Fax Number	0208 418 9444
Administrator's IP Number	08807
Authorising Body	The Institute of Chartered Accountants in England and Wales
Date of Appointment	31 March 2022

Abacus Print Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 31/03/2022 To 25/05/2022 £	From 31/03/2022 To 25/05/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.19	0.19
22,520.00	Book Debts	96.00	96.00
1,200.00	Furniture & Equipment	1,200.00	1,200.00
1,000.00	Goodwill	1,000.00	1,000.00
3,300.00	Motor Vehicles	3,300.00	3,300.00
30,000.00	Plant & Machinery	4,000.00	4,000.00
500.00	Stock	500.00	500.00
300.00	WIP	NIL	NIL
		10,096.19	10,096.19
	COST OF REALISATIONS		
	Specific Bond	220.00	220.00
	Statutory Advertising	89.80	89.80
		(309.80)	(309.80)
	PREFERENTIAL CREDITORS		
(50,000.00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(45,000.00)	Associated Creditors	NIL	NIL
(130,100.00)	Banks/Institutions	NIL	NIL
(134,044.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(301,324.00)		9,786.39	9,786.39
	REPRESENTED BY		
	Fixed Current A/c		9,768.43
	Vat Receivable		17.96
			9,786.39

Richard Jeffrey Rones
Administrator

Insolvency Act 1986

Abacus Print Limited

Company Registered Number: 05217176

Estimated Financial Position as at 31 March 2022

	Book Value	Estimated to Realise
	£	£
ASSETS		
Plant & Machinery	24,000.00	30,000.00
Furniture & Equipment	1,200.00	1,200.00
Motor Vehicles	3,300.00	3,300.00
Stock	500.00	500.00
WIP	3,000.00	300.00
Book Debts	22,520.00	22,520.00
Goodwill	1,000.00	1,000.00
		<u>58,820.00</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
Employee Arrears/Hol Pay		<u>NIL</u>
		-
		<u>58,820.00</u>
2nd PREFERENTIAL CREDITORS:-		
HM Revenue & Customs	<u>50,000.00</u>	<u>(50,000.00)</u>
		<u>8,820.00</u>
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		<u>NIL</u>
		<u>8,820.00</u>
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
		<u>8,820.00</u>
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003		
		<u>NIL</u>
		<u>8,820.00</u>
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
		<u>8,820.00</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	134,044.00	
Employees	NIL	
Banks/Institutions	130,100.00	
Associated Creditors	<u>45,000.00</u>	
		<u>(309,144.00)</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(300,324.00)</u>
		<u>(300,324.00)</u>
Issued and called up capital		
Ordinary Shareholders		1,000.00
		<u>(1,000.00)</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(301,324.00)</u></u>

ThorntonRones Ltd
Abacus Print Limited
B - Company Creditors

Appendix C (cont)

Key	Name	Address	£
CA00	Antalis	Kevin Ley, Smith & Williamson LLP, 3rd Floor - RRS, 25 Moorgate, London EC2R 6AY	2,676.15
CA01	AIT	Suite 103, 70 Churchill Square, Kings Hill, Kent, ME19 4YU	1,991.70
CB00	Bees Kneez	Unit 1 Leewood Farm, Harthall Lane, Kings Langley, WD4 8JJ	144.00
CE00	Evolve Complete Print Solutions	Unit 8 Woodcock Hill Estate, Rickmansworth, WD3 1PQ	10,756.56
CF00	FedEx	Express House, Holly Lane, Atherstone, CV9 2RY	200.00
CF01	Funding Circle	71 Queen Victoria Street, London, EC4V 4AY.	56,600.00
CG00	Graphic Arts Supplies Ltd	Graphic Arts House, Wakeman Road, Bourne End, SL8 5SX	1,021.12
CG01	Graphic Artz	Unit 4 Brickhill Pastures, Limbersey Lane, Maulden, MH45 2EB	636.78
CH00	Heidelberg	69-76 High Street, Brentford, TW8 0AA	12,000.00
CH01	HSBC Bank plc (Overdraft)	8 Canada Square, London, E14 5HQ	20,000.00
CH02	HSBC Bank plc (Credit Card)	8 Canada Square, London, E14 5HQ	5,500.00
CH03	HSBC Bank plc (BB Loan)	8 Canada Square, London, E14 5HQ	48,000.00
CH04	HMRC - PAYE/NIC	HMRC ICHU, Benton Park View, Longbenton, Newcastle, NE98 1ZZ	47,800.00
CH05	HMRC - VAT	HMRC ICHU, Benton Park View, Longbenton, Newcastle, NE98 1ZZ	2,200.00
CL00	Lazer Print Limited	5A Garnett Close, Watford, Herts, WD24 7GN	463.20
CL01	Linstrom Ltd	6 Caxton Park, Caxton Road, Bedford, MK41 0TY	230.42
CO00	Ovenden	Kevin Ley, Smith & Williamson LLP, 3rd Floor - RRS, 25 Moorgate, London EC2R 6AY	21,010.81
CP00	Profoil	Unit 29 Maitland Road, Needham Market, Ipswich, IP6 8NZ	665.07
CR00	Repro-Link	Seven Acres, Carshalton Road, Woodmansterne, Surrey, SM7 3HR	1,387.90
CS00	Swemko	29 Bonville Road, Brislington, Bristol, BS4 5HQ	37.08
CT00	Time & Chance Limited	c/o Memery Crystal Solicitors, 165 Fleet Street, London, EC4A 2DY	80,000.00
CW00	Wembley Laminations	The Finishing Factory, 156 Coles Green Road, Staples Corner, London, NW2 7HW	823.49
RL00	Jonathan Richard Luck	c/o ThorntonRones Ltd, 311 High Road, Loughton, Essex IG10 1AH	45,000.00
28 Entries Totalling			359,144.28

Time Entry - SIP9 Time & Cost Summary

A236 - Abacus Print Limited
Project Code: POST
From: 31/03/2022 To: 25/05/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.50	10.00	5.90	1.85	18.25	4,720.75	258.67
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.20	2.80	1.00	0.00	6.00	2,030.00	338.33
Investigations	0.00	0.10	1.65	0.00	1.75	337.75	193.00
Realisation of Assets	0.70	3.50	1.10	0.00	5.30	1,668.50	314.81
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	3.40	16.40	9.65	1.85	31.30	8,757.00	279.78
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

A236 - Abacus Print Limited
Project Code: PRE
To: 31/03/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	20.50	1.60	0.60	22.70	7,015.50	309.05
Case Specific Matters	2.40	0.00	0.00	0.00	2.40	1,020.00	425.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	2.90	0.20	0.00	0.00	3.10	1,297.50	418.55
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	5.30	20.70	1.60	0.60	28.20	9,333.00	330.96
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Abacus Print Limited (the Company)

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

Fees Overview

Prior to an office holder agreeing the basis of remuneration, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with an insolvent's affairs must be provided to creditors.

In addition, where an office holder proposes to take all or any part of this remuneration based on the time spent in dealing with the insolvent's affairs, a fees estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a fees estimate may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the fees estimate is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the assignment. If it is considered that this estimate will be exceeded, the office holder will provide an update and seek approval to increase the previously agreed estimate.

Work anticipated and the likely outcome to creditors

Some of the work undertaken by an office holder is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

It may also be necessary for an office holder to instruct other parties to assist with the assignment because of a particular expertise that they may bring, such as asset valuation, tax or legal advice. Details of any anticipated expenses can be found at the end of this document, although it should be noted that this may change during the course of an assignment where it is necessary to seek additional expertise or specialist support.

Office holders are also required to comment on whether the work they anticipate doing will provide a financial benefit to creditors and to give an indication of the likely return to creditors when seeking approval for the basis of their remuneration. Due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of an insolvent's assets at the outset of a case, this position may change during an assignment, therefore updates will be provided in periodic progress reports to creditors.

In this case, it is anticipated that a distribution may become available for the secondary preferential and unsecured creditors. Further information on this can be found below in the section on 'Creditors (claims and distributions)'.

Proposed Fee Basis

In this case, it is being proposed that the basis of my remuneration as office holder will be based on the time spent by me and my staff in dealing with the insolvent's affairs. My fees estimate is attached to this document which totals £26,764.75 and is based on all the work I currently propose will be necessary in this assignment. If I consider this estimate will be exceeded, I will notify creditors, provide a revised

estimate and seek further approval for my increased fees. Similarly, I will update creditors in my future progress reports on the amount I anticipate being paid against this estimate.

The remainder of this document contains an explanation of the work I propose undertaking. Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. To aid understanding, for the purposes of my fees estimate, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

Outline of work to be done by the office holder

Below are details of the work I propose undertaking in support of my fees estimate for the assignment:

Administration (including statutory compliance & reporting)

Office holders are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the claims of creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work may include:

- Notifying creditors of the office holder's appointment and other associated formalities including statutory advertising and filing relevant statutory notices
- Securing the insolvent's assets and placing insurance where appropriate
- Preparing and issuing progress reports to creditors (and members where applicable)
- Preparing and issuing Administrator's proposals to creditors and members
- Lodging periodic returns with the Registrar of Companies
- Complying with statutory duties in respect of the office holder's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of mail to the office holder's premises
- Establishing and holding periodic meetings of any committee formed and associated filing formalities
- Securing the insolvent's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the insolvency with HMRC
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the insolvent estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance as applicable to the proceedings
- Closing the case and preparing and issuing the office holder(s) final account to prescribed parties

Realisation of assets

Work done by the office holder(s), their staff and any third parties engaged to assist the office holder in realising the insolvent's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured or preferential creditors only, or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the unsecured creditors. If there are no assets to be realised and the costs of the proceedings are to be met by way of a contribution from the directors or another third party, then there will be no direct financial benefit to creditors.

The attached Estimated Outcome Statement provides an illustration of what the outcome for creditors may be at this time, however this is subject to fluctuation during the proceedings, depending on actual realisations made, costs incurred and the eventual claims submitted by creditors, all of which cannot be predicted with any certainty at this stage.

Creditors will be updated on the anticipated outcome in future progress reports issued by the office holder.

This work may include:

- Instructing and liaising with agents
- Reviewing asset listings
- Analysing the value of goodwill and work in progress
- Liaising with potential purchasers
- Preparing and information memorandum
- Assessment and review of offers received
- Negotiating with proposed purchasers
- Exchanges with solicitors to agree sale and purchase agreement
- Pursuing deferred sale consideration
- Liaising with the bank to close account and realise any credit sums
- Collecting supporting documents in relation to debtors
- Correspondence with debtors
- Reviewing and assessing debtor ledgers
- Agreeing debt collection agency agreements (if appropriate)
- Liaising with debt collectors and solicitors (if appropriate)
- Dealing with disputes, including communicating with directors/former staff
- Submitting VAT bad debt relief claims (if necessary)

Creditors (claims and distributions)

As office holder, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the insolvency process and the related costs and expenses, a distribution may become available to the preferential and unsecured creditors. I will deal with the review and adjudication of creditors' claims as appropriate, if and when it is determined that a dividend is to be declared.

It should be noted that the above is based on the estimated statement of affairs and the projected realisable value of the assets which at this stage is unconfirmed, together with the anticipated costs of the proceedings. I will undertake appropriate investigations into and obtain valuations of the insolvent's assets and will update the likely return to creditors in my future progress reports.

This work may include:

- Receive and follow up creditor enquiries via telephone
- Review and prepare correspondence to creditors and their representatives via facsimile, email and post
- Correspondence with the PPF and Pensions Regulator
- Receipting and filing proof of claims
- Preparation of correspondence to potential creditors inviting submission of claims
- Adjudication of proof of claims
- Requesting further information from claimants
- Preparation of correspondence to claimants advising outcome of adjudication
- Seeking solicitors advice on complex claims (if appropriate)
- Preparation of correspondence to creditors advising of intention to declare distribution
- Advertisement of notice proposed distribution
- Preparation of distribution calculation
- Preparation of correspondence to creditors enclosing payment of distribution
- Dealing with unclaimed dividends

Investigations

As office holder, I am required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

This work may include:

- Collection and making inventory of company books and records
- Correspondence to request information on the company's dealings and making enquiries of third parties (if necessary)
- Reviewing questionnaires submitted by creditors and directors
- Reviewing company's books and records
- Review of specific transactions and liaising with directors regarding certain transactions (if necessary)
- Liaising with the committee/creditors or major creditors about further action to be taken
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the insolvent's books and records and the identification of potential further asset realisations which may be pursued in the proceedings
- Preparing statutory investigation reports
- Liaising with the Insolvency Service
- Submitting a statutory report to the Insolvency Service under the CDDA
- Preparation and submission of supplementary information (if required)
- Assisting the Insolvency Service with initial enquiries (if required)

Office Holder's Expenses and the use of Subcontractors

Expenses are payments from an insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or shareholder. Some expenses can be paid without prior approval from creditors (Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (Category 2 expenses).

Examples of expenses include agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing books and records. Expenses also include expenses which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit.

Further details of my firm's Category 2 expenses policy, which explains the basis on which any proposed expenses appearing in the relevant table below are being charged to the estate, is attached for creditors' information. Approval to pay any proposed Category 2 expenses will be sought from creditors at the same time as the basis of the office holder's remuneration is agreed.

Within Appendix E attached to the Statement of Proposals is a summary of the Category 1 and Category 2 expenses it is considered will be, or are likely to be, incurred in this case. An update will be provided in my first progress report to creditors in due course and then in subsequent reports thereafter until the case is concluded.

Thornton Rones Ltd's Charge-out rates and Category 2 expenses policy

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 expenses.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the fees estimate for the assignment, creditors will be notified accordingly.

Office Holder’s Fees Estimate

Below is my fees estimate for the assignment. The work the office holder anticipates undertaking in relation to this estimate has been outlined above. It is an estimate for the entire assignment. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised fees estimate as appropriate.

Administrators Estimate of Fees											
Category of fees	Partner	Cost (£)	Manager	Cost (£)	Other Senior Professionals	Cost (£)	Assistants & Support Staff	Cost (£)	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.30	£2,252.50	14.20	£4,615.00	17.40	£3,219.00	2.10	£199.50	39.00	£10,286.00	£263.74
Case Specific Matters	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	£0.00
Creditors	2.10	£892.50	6.80	£2,210.00	13.45	£2,488.25	0.50	£47.50	22.85	£5,638.25	£246.75
Investigations	2.00	£850.00	6.40	£2,080.00	10.20	£1,887.00	0.00	£0.00	18.60	£4,817.00	£258.98
Realisation of Assets	2.80	£1,190.00	11.30	£3,672.50	5.40	£1,161.00	0.00	£0.00	19.50	£6,023.50	£308.90
Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	£0.00
Total Hours / Costs (£)	12.20	£5,185.00	38.70	£12,577.50	46.45	£8,755.25	2.60	£247.00	99.95	£26,764.75	£267.78
Hourly Rate (£)	£425.00		£325.00		£215.00		£125.00				

General Assumptions in compiling this estimate
*The books and records received are complete and up to date; no delays arise with the realisations of the Company's assets; there are no additional matter to investigate or pursue; there are no exceptional queries from creditors or stakeholders; full co-operation of the director and other relevant parties as required by legislation; there are no health and safety or environmental issues to be dealt with; the Administration is concluded within 12 months and there is no requirement to extend the period of the Administration.

Appendix E (continued)

Additional Information in Relation to the **Administrator's Fees**, Expenses & the use of Subcontractors

Fee Basis and Proposed Expenses

The Administrator is seeking to agree the basis of his remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Information about the work done to date can be found in the body of the Administrator's Report and Statement of Proposals at Section 2.

As a time cost basis is being sought in this case, the Administrator's fees estimate is attached to this report, which provides details of the rates the Administrator and his staff propose to charge for each part of that work and the time it is anticipated each part of that work will take.

The fees information provided is based on information about the Company's affairs available to the Administrator at the present time. Should any matters arise which impact on the proposed remuneration basis, such as additional investigatory matters or potential realisable assets, further time or cost may be incurred, and it may be necessary to revise the Administrator's estimate of costs.

In this case, I do not currently anticipate that it will be necessary to seek further approval to increase the level of the fees proposed.

Set out earlier in this Appendix, is a detailed list of task that the Administrator proposes that he and his staff will undertake together with his estimate of the time these tasks will take to carry out in total. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Administration (including Statutory Reporting)

As Administrator, I am required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards.

Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension where necessary, and issuing a final report and notices;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by me as Administrator that materially affect the administration;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

The Administrator examines the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and

- To enable the Administrator to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and seeking information from the Company's directors by means of questionnaires and/or interviews.

- In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding my next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If I encounter resistance in making a recovery, formal legal action may be appropriate.
- In addition, if the Insolvency Service decides to proceed with a disqualification, I will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work. The Fees and Expenses Estimates presented below reflect the anticipated work in identifying potential causes of action. If any are identified and I consider that additional work is required, I may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

The Statement of Proposals summarises the work carried out by me as Administrator to date in realising the Company's assets. The principal matters that require further work are:

- Collecting the deferred consideration for the sale of the business and assets as and when it becomes due; and
- Continuing to pursue the Company's outstanding book debts;

Creditors (claims and distributions)

As the Statement of Proposals explains, there are a number of different classes of creditor involved in the Administration that requires my attention. In particular, I anticipate conducting the following key tasks:

- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed;
- If a prescribed part dividend is to be paid in the Administration, adjudicating on all unsecured creditors' claims, including seeking further information where necessary; and
- Where relevant, calculating and paying the prescribed part dividend and dealing with unclaimed dividends.

Proposed work to be undertaken by the Liquidator

Creditors will appreciate that it is difficult to estimate the time and expenses likely to be incurred by the Liquidator at this time, not least because it is difficult to know when the Company will move from Administration to CVL and consequently what work will have already been carried out by the Administration by the time that move takes effect. Therefore, although much of the time estimated to be incurred in the activities listed above has been included in the Administrator's Fee Estimate, in the event that the Administration moves to CVL sooner than anticipated, the Liquidator is likely to incur a proportion of the time currently allocated to the Administrator, for example in concluding the asset realisations.

In any event, the Liquidator will be required to carry out tasks such as continuing to realise the assets and conduct investigations, where these have not been completed in the Administration:

- Meeting statutory requirements including: issuing notices on appointment; issuing annual progress reports and a final account to creditors; and completing periodic tax returns;
- Maintaining case files, which must include records to show and explain the administration of the liquidation and any decisions made by me as Liquidator that materially affect the administration;
- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Adjudicating on all creditors' claims with the assistance of solicitors where necessary;
- Giving notice of the intention to declare a dividend; and
- Calculating, declaring and paying dividends to creditors and dealing with unclaimed dividends.

Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment:

Expense	Basis of remuneration/cost	Service to be provided	Estimated cost £
Agent's fees & expenses	Fixed valuation fee £2,000 10% of Realisations £3,600	valuation, uplift & sale of the insolvent's property or chattel assets via auction/private treaty. Handling the collation of Books and Records on site, organising secured disposal of non-essential paperwork.	5,600
Legal fees & expenses	Fixed fee of £2,000	Drafting sale agreement	2,000
Statutory advertising	Fixed cost per paper	Statutory advertising in London Gazette (and Daily Express)	500
Specific Penalty Bond	Fixed cost – Scale rate	Statutory bond required in all insolvency appointments for each office holder appointed	600
External storage costs	Intake fee £20, £6 per box of records stored per year £2 per box for destruction	Storage of insolvent's books & records for statutory timescales	1,500
External Mail Services	71p for 1 st class and 46p for 2 nd class plus 3p/6p per page (black/colour)	External mail service costs for creditor circulars (Postworks)	500

Category 2 expenses

The following Category 2 expenses are currently anticipated on this assignment:

Expense	Basis of remuneration/cost	Payment to Associate or shared/allocated cost	Service to be provided	Estimated cost £
Photocopying	0.10 pence per copy	Shared/Allocated	Use of Photocopier and provision of paper	100.00
Scanning (3 rd Party use)	0.20 pence per sheet	Shared/Allocated	Use of Scanner	50.00

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not used the services of any subcontractors on this case to date and do not currently anticipate the use of subcontractors will be necessary during the Administration.

Professional Advisors

On this assignment we have used, or are proposing to use, the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Judge Sykes Frixou Limited (legal assistance)	Fixed fee of £2,000
Kayak Asset Valuation Agents Limited (valuation and disposal advice)	Valuation fixed fee of £2,000 and 10% of realisations

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Charge-Out Rates

ThorntonRones Ltd's current charge-out rates effective from 1 April 2017 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Staff	(per hour)
Insolvency Practitioner	425
Director	325
Manager	325
Administrator 1	215
Administrator 2	185
Administrator 3	160
Administrator 4	140
Cashier	125
Support Staff	95

ABACUS PRINT LIMITED
Estimated Outcome Statement as at 25 May 2022

	Book Value	Realised to Date		Estimated Future Realisations		Total	
		£	£	£	£	£	£
Assets Realisations:-							
Goodwill	1,000		1,000		-		1,000
Deferred Consideration	8,000		-		40,500		40,500
Book Debts	22,520		96		22,424		22,520
Plant & Machinery	24,000		4,000		26,000		30,000
IT Equipment and Office Furniture	1,200		1,200		-		1,200
Work in Progress	3,000		-		-		-
Miscellaneous Items	860		-		-		-
Stock	500		500		-		500
Motor Vehicle	3,300		3,300		-		3,300
Bank Interest	-		1		-		1
	64,380		10,097		88,924		99,021
Less Estimated Costs:							
ThorntonRones Ltd (Pre Appointment)		6,000		-		6,000	
Court Fees (Pre Appointment)		50		-		50	
Administrators Remuneration		26,764		-		26,764	
Administrators Expenses - Specific Bond		220		-		220	
Administrators Expenses - Advertising		170		-		170	
Agents Fees		5,600		-		5,600	
Legal Fees		2,000		-		2,000	
Estimated total costs of the Administration			(40,804)		-		(40,804)
Estimated Total Assets Available for Preferential Creditors			(30,707)		88,924		58,217
Ordinary Preferential Claims							
Employees Arrears of Pay and Holiday		-					-
Secondary Preferential Claims							
HM Revenue & Customs (VAT/PAYE/NIC)		(50,000)					(50,000)
Estimated Dividend to Secondary Preferential Creditors (p in £)							100.00
Available to Unsecured Creditors		14,380					8,217
Unsecured Creditors							
Trade & Expense Creditors		(134,044)				(134,044)	
Banks/Institutions		(130,100)				(130,100)	
Associated Creditors		(45,000)				(45,000)	
Estimated total Unsecured Creditors		(309,144)				(309,144)	
Estimated Dividend to Unsecured Creditors (p in £)		-					2.66
Shortfall to Unsecured Creditors		(294,764)					(300,927)

Appendix G

Abacus Print Ltd - In Administration (the Company)

Overview

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after appointment, this is known as a pre-packaged sale.

In most cases involving a pre-packaged sale, an insolvency practitioner's firm is initially engaged by the insolvent company to help its board of directors to consider the company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an administration is appropriate, the company may then instruct the insolvency practitioner's firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances.

Prior to the appointment of an Administrator, an insolvency practitioner may act in an advisory capacity to the Company. During this time the insolvency practitioner's role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets.

I would confirm that the directors were advised to take their own independent advice on their position in this regard. It is also possible that a different insolvency practitioner may be the eventual Administrator and not the insolvency practitioner who provided the advice to the Company before any formal appointment was made.

In this case, prior to commencement of the Administration, ThorntonRones Ltd acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither ThorntonRones Ltd nor its insolvency practitioner advised the director personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, Richard Rones of ThorntonRones Ltd took his own steps to prepare for his potential appointment as Administrator. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. At this time, the Company was under threat of a winding up petition being presented. Therefore, with the assistance of professional and independent agents, I considered the most effective method of securing a sale which would represent the best outcome for creditors as a whole. The appointed agents managed the process and entered into negotiations with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

The role of an Administrator once the Company has entered Administration is for him to perform his functions with the objective of either rescuing the Company as a going concern or achieving a better



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result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first.

If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the Company may be pursued, providing the Administrator avoids unnecessarily harming the interests of the creditors as a whole.

In this case, I accepted my appointment in order to pursue the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first. I considered that the pre-packaged sale enables the statutory purpose of Administration to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken

Immediately upon my appointment as Administrator, and acting as officer of the court and as an agent of the Company, I took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, I concluded the sale.

A prepack sale was undertaken in order to preserve the goodwill of the Company with its clients/customers. A condition of the sale was that it would include a TUPE transfer of the Company's long serving staff members and assume all of its employee related liabilities which would reduce liabilities of the Company by circa £45,000. A final condition of the sale was that the purchaser would pay a sum equal to 7.5% of net turnover generated from the goodwill in the first twelve months following completion.

Prior to my appointment as Administrator, the purchaser was advised that it was necessary to obtain and provide me a report from an independent evaluator at the earliest opportunity, which I could assess to ensure it meets the definition under the Regulations of a qualifying report. The purchaser duly provided me with a copy of this report from the Pre Pack Pool Ltd ("the independent evaluator") which confirmed that the independent evaluator was satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal were reasonable in the circumstances. Having considered the content of the evaluator's report, I was satisfied that the report met the requirements and content specified in the regulations enabling me to treat the evaluator's report as a qualifying report.

Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of all or part of the Company's business and assets to The 6IX Agency Limited in accordance with the provisions of Statement of Insolvency Practice 16 (**SIP16**).

Background

The Company was incorporated on 27 August 2004 and commenced to trade shortly after providing printing services. A large proportion of the Company's turnover is accounted for through the supply of print to the retail and hospitality sectors.

The Company has latterly traded from 5-7 Atlas Road, Wembley, London HA9 0JH and had a current workforce of six members of staff.



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Over the past 24 months, the Company's fortunes have been severely impacted and the above-mentioned sectors were particularly badly affected by the Covid lockdown and associated restrictions which resulted in a very significant reduction to the Company's turnover.

In order to support cash flow during this time, a Coronavirus Business Interruption Loan Scheme ("CBILs") was obtained during 2020. Loans were also provided to the Company by the Director throughout 2021 to provide further financial support to the Company during this period.

Whilst the Company's landlords (at that time) were flexible with the Company, having allowed it to initially reduce its rent, this continued expense together with other fixed costs such as rates and insurances had a very detrimental impact on the Company's cash flow.

The Director made the decision at the end of 2021 that the Company should find an alternative way of reducing its fixed costs such as rent and rates by sharing overheads with another printing company. In doing so the Company was able to reduce its overheads substantially and procure larger premises, all at a significant saving.

Regrettably, due to the liabilities that had accrued as a consequence of the reduced turnover, the Company is not in a position to pay its debts as and when they fall due. This has resulted in the threat of winding up petition(s) being presented by its creditors.

In order to maximise the value of the business, given clearly that the Company cannot continue to trade, a going concern sale is required. In light of creditor threats, the Company filed a Notice of Intention to Appoint an Administrator on 3 March 2022.

Following the filing of this notice, the assets of the Company were marketed by agents. Due to the number of expressions of interest made from various third parties, it was necessary to explore these enquiries further, provide information sufficient to allow offers to be made, conduct site visits to inspect the assets and allow contact with staff. As a consequence, a further Notice of Intention to Appoint an Administrator was filed at Court on 17 March 2022.

Initial introduction

ThorntonRones Ltd was initially approached by the Company's Director on 1 March 2022 to help advise on the options available for the Company, as it was deemed to be insolvent.

In addition to advising on the Company's options, my advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following my appointment as Administrator. The fee agreed in respect of my pre-appointment advice was the sum of £6,000 plus VAT and expenses. I intend to seek to have these fees approved and paid from the insolvent estate in due course. A signed engagement letter was received from the director of the Company on 1 March 2022.

I do not believe that there is any significant personal or professional relationship between the Company or its directors and ThorntonRones Ltd and I duly carried out the appropriate conflict review prior to accepting the appointment.



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Pre-appointment considerations

The following courses of alternative action were considered with management prior to my appointment as Administrator and the pre-packaged sale:

Continuing to trade outside insolvency or through a Moratorium

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading. The Company's shareholders confirmed that they were not able to provide the level of additional funding necessary to meet historical liabilities and support the Company to trade, and therefore this option was not viable. It was also noted that the Company had exhausted all of its available credit facilities with its bankers.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium term in order for a purchaser to be found.

It was therefore considered that the Company did not have sufficient funds to support trading-on nor could sufficient funds be accessed immediately on administration to support trading on.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the director was not confident that the Company would be successful in being able to meet additional payments towards historical debts going forward as would be the obligation under a CVA.

Liquidation

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as Liquidation would increase liabilities (such as employee claims, breach of contract claims etc) and lose or reduce the realisable value of the business assets such as goodwill and debtor realisations.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow short to medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and the absence of a break in supply of goods and services, which would enable a higher value to be achieved for goodwill/future turnover and ensure a more effective debt collection process.

The Administrators' Options on Appointment

Immediately prior to appointment, I considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, having encouraged the director to review the prospect of the business via cash and profit forecasts, it was considered that trading the business during the Administration for an extended period would not be possible. Therefore, it became clear that a sale of the business as a going concern was the best option available to enhance the return to creditors.



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The Company's former landlord and significant creditor were contacted by me via their solicitors immediately on my engagement. In advance of the commencement of the Administration, the Company's circumstances and proposed strategy were explained. The creditor did not raise objections to the proposed strategy and in fact expressed interest in acquiring the assets.

Comparative outcome

The following table provides a comparative outcome of the going-concern valuation of the Company's assets against the outcome obtained via the pre-packaged sale and compares this with the likely realisations that would have been made via a sale of the Company's assets in a liquidation scenario or through a restricted marketing period post Administration.

Details of Assets	Going-concern (willing buyer) valuation £	Value achieved through the pre- packaged sale in Administration £	Anticipated value in Liquidation, or under a restricted marketing period post Administration £
Goodwill	1,000	1,000	Nil
Future Turnover	1.5%	7.5%	Nil
Plant & Machinery	24,000	30,000	8,900
Motor Vehicles	3,300	3,300	2,700
Office Furniture & equipment	1,200	1,200	720
Stock	500	500	150
Miscellaneous Items	860	Nil	500
Totals	30,860	36,000	12,970

The following charges are registered against the Company:

Charge in favour of	Date of Creation
Five Arrows Business Finance PLC ("Five Arrows")	22 September 2015

The charge in favour of Five Arrows relates to an historic finance agreement relating solely to machinery. Whilst the charge remains outstanding at Companies House, the Director has confirmed that no funds remain due in respect of this facility.

There are no other secured creditors of the Company and therefore the assets are considered as unencumbered.

Marketing of the business and assets

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the Company's creditors as a whole. I advised the Company prior to my appointment, that any marketing should conform to the marketing essentials set out in SIP16 which includes the following key considerations:



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- The business should be marketed as widely as possible, proportionate to its nature and size in the time available using whatever media or other sources that are likely to achieve this outcome;
- Previous marketing of the business prior to the Administrator's involvement may not provide justification to avoid further marketing. The Administrator must be satisfied as to the adequacy and independence of any prior marketing undertaken by the Company;
- Marketing should have been undertaken for an appropriate length of time to satisfy the Administrator that the best outcome for creditors as a whole has been achieved;
- Any marketing attempts must by default, include the use of the internet.

The director was asked to provide information on any parties, of which he were aware, who would be interested in purchasing the business and assets of the Company. The director was also asked to advise of any marketing conducted by the Company prior to approaching ThorntonRones Ltd for advice. I was advised that no previous marketing had been undertaken by the Company nor was the Director aware of any other interested parties whom may wish to acquire the business and assets.

Agents, Kayak Asset Valuation Agents Limited, were then instructed by the Company to market the business and assets of the Company and were advised of all known interested parties. The agents confirmed they were independent and held adequate professional indemnity insurance.

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' and other websites including Dalton Business. The assets were also marketed with the agents own extensive database of parties within the printing industry. The marketing was carried out based on the agents recommendation.

Marketing was initially to be undertaken for a period of one week but due to the level of expressions of interest received immediately upon the assets being marketed, it was eventually undertaken for a period of approximately three weeks (21 days). In order to provide additional time for interested parties to submit offers, a further Notice of Intention to Appoint Administrator was filed by the Director on 17 March 2022. Accordingly, I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The agents' marketing strategy resulted in several expressions of interest. A range of offers were received from £24,000 to £36,000 including additional conditions for a percentage of future profits/turnover generated. The agents advice was to accept the offer of £36,000 plus 7.5% of turnover generated within first twelve months from The 6IX Agency Limited because this offer was significantly greater in value than any other offer. The offer exceeded both the in-situ and going concern valuations previously provided by the agent.

My agents also confirmed that all attempts had been made in order to drive up the purchasers offer and the offer from The 6IX Agency Limited represents the best price reasonably achievable in the circumstances and that although The 6IX Agency is a connected party, the benefit to the Company's creditors as a whole would be greater than the benefit to the purchaser



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Valuation of the business and assets

Kayak Asset Valuation Agents Limited were instructed by the Company on 25 February 2022 to value the business and assets of the Company. The agents confirmed their independence and that they hold adequate professional indemnity insurance.

Their valuation was received on 1 March 2022 and is detailed below:-

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets Not Specifically Pledged			
Goodwill, Name and Trading Style	Nil	1,000	1,000*
IT Equipment & Furniture	720	1,200	1,200
Printing Plant and Machinery	8,900	24,000	30,000
Miscellaneous Items	500	860	Nil
Stock	150	500	500
Motor Vehicle	2,700	3,300	3,300

*The goodwill has been valued at £1,000 but in addition to this, the agents recommended that an agreed deferred consideration payment should be included within any sale of this asset to incorporate any current work in progress. In the agents opinion, this consideration was to be based on turnover generated for the first twelve month trading period at a sum equal to 1.5% of any net sale which is likely to equate to a sum in the region of £4,000 to £8,000. I would confirm that the purchaser agreed to a sum equal to 7.5% of any net sales turnover generated for the first twelve month period. Based on the forecasts provided by the purchaser, this could yield a further £40,500.

In addition to a going concern sale, the agent sought offers for the plant & machinery individually. This did not exceed the offers received on a going concern basis.

A valuation was obtained on two bases, one being that a willing buyer would purchase the assets, as this is what was hoped for by conducting a pre-pack sale. However, if this value proved to be unachievable, then a valuation was also obtained on a forced sale basis to act as a guide when considering any alternative offers received. Upon my appointment, I considered all the bases of valuations, in order to ensure creditors interests were protected.

The sale price achieved for the business and assets compares favourably with the above valuation.

No valuation was obtained for the book debts as these were excluded from any proposed sale.

Details of the assets sold and the nature of the transaction

Following my appointment as Administrator, a sale of the business and assets was completed on 31 March 2022 with The 6IX Agency Limited.

Mr Jonathan Luck who was director of the insolvent Company, is a director and shareholder of The 6IX Agency Limited. The Regulations stipulate that connected persons is defined in paragraph 60A(3) of Schedule B1 to the Insolvency Act 1986.



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The transaction is between the insolvent Company and The 6IX Agency Limited only and does not impact on any related companies. No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier.

Transactions with connected persons

Where a buyer meets the legal definition of a connected person, and the sale of the Company's assets falls within the meaning of a **substantial disposal** in government regulation, additional obligations are placed on the Administrator to ensure transparency and creditor confidence in the sale.

A **substantial disposal** occurs where the disposal, hiring out or sale is to one or more connected persons, during the period of 8 weeks beginning with the day on which the Company enters Administration of what is, in the Administrator's opinion all, or a substantial part, of the Company's business or assets and includes a disposal which takes place through a series of transactions.

Additional obligations require the Administrator to obtain either a **qualifying report**, or **creditor approval**, as a condition for making the sale to the connected person, as the Administrator considers appropriate in the relevant circumstances. A **qualifying report** may be sought before an Administrator is appointed in circumstances where the sale is arranged prior to a company entering Administration but is planned to be completed very shortly thereafter.

A **qualifying report** is a report made by an independent evaluator, who must meet certain legal requirements relating to the relevant skills and knowledge to make such a report, including the absence of conflict of interest with either the Company or the Administrator.

The responsibility to obtain this report lies with the connected person who wishes to enter into the **substantial disposal**, however it is then the Administrator's responsibility to ensure that the evaluator's report complies with all relevant legal requirements in order that it may be treated as a **qualifying report**, which then permits the Administrator to complete the transaction. The alternative is obtaining creditor approval for the transaction before proceeding.

The purchaser in this instance fell within the definition of a connected person and the nature of the proposed sale meant that it fell within the definition of a **substantial disposal** outlined above. As a result, a **qualifying report** was obtained from The Pre Pack Pool Ltd on 25 March 2022, prior to making the substantial disposal, a copy of which is attached for creditors' information. The qualifying report was provided by The Pre Pack Pool Ltd on 25 March 2022.

The evaluator formed the opinion that a case had been made for the **substantial disposal** and this proceeded accordingly, as detailed earlier in this report.

Viability statement

A **viability statement** can be drawn up by a connected person wishing to make a pre-packaged purchase. The review should cover the greater of 12 months or the period over which any consideration is to be deferred to demonstrate how the purchasing entity will survive for this period from the date of the proposed purchase.

The connected person was advised of the merits of providing a **viability statement**, which was subsequently provided to the evaluator to assist in forming their opinion on the substantial disposal. A copy of the viability statement is included with the **qualifying report** attached.



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Assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

Sale consideration

The sale consideration totalled £36,000 and required £5,000 to be paid on completion with the balance to be paid via instalments on the dates detailed further below:-

- The sum of £5,000 on or before 30 April 2022.
- The sum of £5,000 on or before 31 May 2022.
- The sum of £5,000 on or before 30 June 2022.
- The sum of £5,000 on or before 31 July 2022.
- The sum of £5,000 on or before 31 August 2022.
- The sum of £6,000 on or before 30 September 2022.

The sale consideration has been allocated to the following asset categories:-

Assets	Value £
Goodwill, Trading Name, Client List and Intellectual Property Rights	£1,000
IT Equipment and Office Furniture	£1,200
Printing Plant and Machinery	£30,000
Stock	£500
Vehicle	£3,300

The allocation above has been reached by reference to consultation with the agents.

It should be explicitly noted that there were six employees who were transferred as part of the Sale in accordance with TUPE regulations. It should also be noted that the outstanding debtors of the Company were excluded from the Sale.

For the avoidance of doubt, the following items were also not included in the sale:

- (i) the Company's Books and Records;
- (ii) the VAT Records;
- (iii) any cash in hand or at the bank;
- (iv) all policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;
- (v) the benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the Assets) including the proceeds of any litigation; and
- (vi) any shares or other securities owned by the Seller.



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The business and assets were secured by obtaining a personal guarantee from the purchaser's director, Mr Jonathan Luck.

The Sale is part of a wider transaction which potentially includes a further amount payable to the Company in respect of a sum equal to 7.5% of the net sales generated by the Buyer during the twelve-month period commencing on the Completion Date ("the Deferred Consideration").

The Deferred Consideration shall be paid in 4 tranches and shall be paid as follows:

- Payment for the first quarter of trading: Within 3 months of the completion date
- Payment for the second quarter of trading: Within 6 months of the completion date
- Payment for the third quarter of trading: Within 9 months of the completion date
- Payment for the fourth quarter of trading: Within 12 months of the completion date



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Evaluators Report on proposed pre-packaged sale involving Abacus Print Limited and Jonathan Luck The 6IX Agency Limited, pursuant to the Administration (Restriction on Disposal to Connected Parties Regulations 2021 (the Regulations)).

Background.

1. The business and / or assets of Abacus Print Limited are the subject of a substantial disposal pursuant to regulation 3 of the Regulations) to The 6IX Agency Limited.
2. The Applicant is a connected party to Abacus Print Limited as defined in paragraph 60A(3) of Schedule B1 of the Insolvency Act 1986 in that it he / she is a director, shadow director or company officer of Abacus Print Limited.
3. The relevant property subject to the substantial disposal is stated to be:

Goodwill Fixed assets Intellectual property
4. The consideration for this substantial disposal is stated to be:

£76,500 including deferred consideration of £40,500
5. In the absence of creditor approval of this substantial disposal, a connected party purchaser is required to obtain a qualifying report in accordance with section 6 of the Regulations, and this report has been commissioned for that purpose.

Qualifications of Evaluator.

1. I am satisfied that I am a qualified Evaluator within the meaning of regulation 10 of the Regulations. I possess the relevant knowledge and experience to provide this report, and I have been accepted as an approved Evaluator by Pre Pack Pool Ltd. Details of my personal and professional qualifications may be scrutinised at www.prepackpool.co.uk
2. I confirm that I satisfy the requirement for independence in relation to the substantial disposal as specified in regulation 12 of the Regulations. I have no personal, professional or other connection to any party connected to Abacus Print Limited or The 6IX Agency Limited and no relationship, bias or ethical conflict exists which prevents me from evaluating this application solely on its merits. I am not excluded from acting as an Evaluator by reason of regulation 13 of the Regulations.
3. The proposed administrator, where appointed, has raised no objection to my suitability as an Evaluator.

Professional Indemnity Insurance.

For the purposes of this report, I am acting as an Agent of Pre Pack Pool Ltd (the company), and I am covered by the company's Professional Indemnity Insurance as required by regulation 11 of the Regulations. Details of this Professional Indemnity Insurance policy as required by regulation 7(c) of the Regulations are as follows:-

Insurer: Markel International Insurance Company Ltd, 20 Fenchurch Street, London EC3M 3AZ.

Insured: Pre Pack Pool Ltd.

Policy number: CC1088A21RAA

Risks covered: Miscellaneous Professional Indemnity Breach of Professional Duty

Cover £2,000,000.00

Exclusions from cover: GDPR Exclusion, Cyber Exclusion, COVID-19 Exclusion

Previous Evaluation Reports.

The Applicant has stated that no previous Evaluation Reports have been obtained in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

Evaluator's Opinion.

In accordance with regulation 7 of the Regulations, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

Principal reasons for this opinion are as follows:-

The company is insolvent and cannot continue to trade The business has been marketed for sale and competing offers have been subject to independent evaluation The connected party sale provides the best outcome for creditors

In forming my opinion I have relied upon the following information provided by the Applicant together with freely available information in the public domain:-

Estimated outcome statement Valuers valuation report Sale pack details Valuers report of offers and 2 updates indicating best offer Viability statement and history of business problem Cash flow statement for 12 months

I have not carried out an audit of this information.

For the avoidance of doubt, I express no view on whether The 6IX Agency Limited is, or will in the future remain a going concern, neither do I express an opinion on any decision by the proposed administrator to enter into a pre-packaged sale. These are matters for the proposed administrator to determine.

Evaluator.

Philip Long For and on behalf of Pre Pack Pool Ltd.

Date 25-03-2022

INITIAL INFORMATION REQUIRED WITH THE APPLICATION TO THE PRE-PACK POOL**Old Company**

Name of Company: Abacus Print Limited

Company Number: 05217176

Nature of Business: Printing Services

Details of Assets: Goodwill/Name/Trading Style and Intellectual Property Rights
Print Machinery and Equipment
IT and Office Equipment
Other equipment
Motor Vehicles
Stock

Details of Liabilities: **Attached.**

Although a fixed charge is recorded against the Company filed at Companies House in favour of Five Arrows Finance dated 22 September 2015, this liability has been settled and simply requires a certificate of satisfaction to be filed.

Number of staff: Six members of staff (including director)

Valuations: Kayak Asset Valuation Agents Limited - **Attached**

New Company

Company Name: The 6IX Agency Limited

Company Number: 13946037

Names of Directors: Jonathan Richard Luck

Names of Directors'
other interests: Abacus6ix Limited

List of all connected
persons involved in
the proposed purchase: Jonathan Richard Luck

Nature of connection
to Old Co: Common Directors and Shareholders

Have the directors been
involved in any previous
pre-packaged
administrations: N/A

VIABILITY STATEMENT

ABACUS PRINT LIMITED – (“THE COMPANY”)

Brief History and Background of Company

A large proportion of the Company's turnover is accounted for through the supply of print to the retail and hospitality sectors. Over the past 24 months, the Company's fortunes have been severely impacted and the above-mentioned sectors were particularly badly affected by the Covid lockdown and associated restrictions which resulted in a very significant reduction to the Company's turnover.

In order to support cash flow during this time, a Coronavirus Business Interruption Loan Scheme (“CBILs”) was obtained during 2020. Loans were also provided to the Company by the Director throughout 2021 to provide further financial support to the Company during this period.

Whilst the Company's landlords (at that time) were flexible with the Company, having allowed it to initially reduce its rent by £500 per month, this continued expense together with other fixed costs such as rates and insurances had a very detrimental impact on the Company's cash flow.

The Director made the decision at the end of 2021 that the Company should find an alternative way of reducing its fixed costs such as rent and rates by sharing overheads with another printing company. In doing so the Company was able to reduce its overheads substantially and procure larger premises, all at a significant saving.

Regrettably, due to the liabilities that had accrued as a consequence of the reduced turnover, the Company is not in a position to pay its debts as and when they fall due. This has resulted in the threat of winding up petition(s) being presented by its former landlord, Time and Chance Property Ltd.

In order to maximise the value of the business, given clearly that the Company cannot continue to trade, a going concern sale is required. In light of creditor threats, the Company filed a Notice of Intention to Appoint an Administrator on 17 March 2022, **attached**.

I believe that a prepack sale should be undertaken in order to preserve the goodwill of the Company with its clients/customers and to protect the Company from legal proceedings being commenced by its creditors which would inevitably result in it being placed into liquidation. If the Company is placed into liquidation, the value of the goodwill of the business and work in progress will be irretrievable, adversely affecting creditors.

In order to undertake a prepack sale, instructions were given to professional agents, Kayak Asset Valuation Agents Limited to value and market the business to potential interested parties. Copies of the valuation and marketing brochure are **attached**. The marketing carried out by Kayak has attracted several offers for the acquisition of the goodwill and assets of the Company. A summary of the offers received is provided within the **attached** advice note from Kayak.

The advice note sets out that there have been two competitive offers which should be considered. These offers have been made by The 6IX Agency Limited (connected party) and Time and Chance Property Ltd (creditor). Of these offers, Kayak have advised that the “indicative” offer received from Time and Chance Property Ltd totalling £80,000 represents the best value and should be accepted. This offer has also been made with the condition that it would be paid immediately upon completion. However, Kayak have informed that this offer could be significantly reduced and caveated following their inspection and independent agent's advice.

The next best offer is that of The 6IX Agency Limited which totals £36,000 and will be supported by a personal guarantee of its director. In addition, the offer includes a deferred consideration of 7.5% of any net sale turnover generated within the first 12-month trading period post acquisition. Historically the Company achieved a turnover of circa £45,000 per month which would equate to an annual turnover of £540,000. In the event that The 6IX Agency Limited is able to achieve and resurrect a turnover in line with historic levels of the Company, this could generate a further sum of £40,500 for the Company. Taking this into consideration, the total offer from The 6IX Agency Limited could eventually total £76,500.

As stated above, Time and Chance Property Ltd are the Company's former landlords who are upset as they are owed a significant amount of back rent. There is a concern that they are a "disruptive" bidder without the full expectation that they will complete.

Comparing these two offers, it would be best to accept the offer from Time and Chance Property Ltd simply as this represents an immediate realisation for the Company whereas the offer from The6IX Agency Limited has been proposed to be settled by monthly instalments and is subject to the level of turnover achieved in the first twelve months post acquisition.

Based on the advice received from the agents, Kayak, if the Time and Chance Property Ltd offer is significantly reduced or withdrawn, it would be their recommendation that the offer received from The6IX Agency Limited could be accepted.

At present, no further indication has been provided to Kayak from Time and Chance Property Ltd as to whether they would proceed with the acquisition on the offered terms. A short period of time will be provided to them by Kayak in order for them to conclusively determine their position on the proposed purchase. However, in the event that this offer is withdrawn or significantly reduced, my company The6IX Agency intends to buy the business on the terms referred above.

Update on Time and Chance Property Ltd

Kayak have now notified the company that Time and Chance Property Ltd have indeed significantly reduced their offer from £80,000 to £35,000. Taking this into consideration, Kayak have now advised today **attached** that the offer from my company, The 6IX Agency Ltd, represents the best value for the business assets and best potential return for creditors.

On that basis, my company The6IX Agency intends to buy the business on the terms referred above.

Viability of The 6IX Agency Ltd Offer

The business is only just seeing the benefit from the return of its clients close to their pre-lockdown levels of spend. Additionally, the business has not yet seen any cash flow benefit from moving as it has only been in the new premises for a period of three months to date and had to settle the associated moving costs.

The next 12 months is likely to see the business's monthly turnover figures increase, and I believe that turnover will be restored to its previous levels prior to the Covid 19 pandemic. In addition, the business has recently recruited an experienced sales professional on a 'commission only' basis. In summary, the relocation will not only reduce overheads but having the extra space will allow us to work more efficiently and, in time, add further processes that we can offer to our existing clients and use to attract new/additional business.

A cash flow projection has been prepared and is **attached**. The cash flow projection is on the basis of turnover restoring to previous levels prior to Covid 19 and based on the Company's business sector, I have reasonable belief that turnover will improve to its former levels now that businesses are getting back to normal. This will enable the purchase consideration offered to be affordable over the next 12 months.

In order to assist with cashflow moving forward, The 6IX Agency Limited plans on utilising an invoice discounting facility. The business never had this type of facility in place which also hindered cash flow as a result of slow paying debtors. Having up to 80% of invoice values available within 48 hours will allow The 6IX Agency Limited to meet the terms of its suppliers more promptly.

The cash flow projection shows that funds will be available and can support the working capital needed for the new Company, The 6IX Agency Limited.

It should also be noted that I will be able to spend more time growing the business whereas this responsibility was previously that of a salaried employee of the Company. If the proposed sale is concluded, I will be significantly financially invested in the business having offered a personal guarantee to the Company as a condition of the offer for the proposed acquisition of the Company's assets.

A further attachment of The 6IX Agency Limited offer is that it is prepared to undertake a TUPE transfer of the Company's long serving staff members and assume all of the its employee related liabilities which itself, will reduce the liabilities of the Company by circa £45,000 compared to liquidation.

Table 1													
	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	TOTAL
Sales	£28,000.00	£30,000.00	£31,000.00	£30,000.00	£28,000.00	£26,000.00	£29,000.00	£33,000.00	£38,000.00	£36,000.00	£24,000.00	£30,000.00	£363,000.00
Cash in from invoice discounting	£22,400.00	£29,600.00	£30,800.00	£30,200.00	£28,400.00	£26,400.00	£28,400.00	£32,200.00	£37,000.00	£36,400.00	£26,400.00	£28,800.00	£357,000.00
Rent	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	£2,400.00	
Rates		£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	£1,038.00	
Paper and other supplies	£7,000.00	£7,500.00	£7,750.00	£7,500.00	£7,000.00	£6,500.00	£7,250.00	£8,250.00	£9,500.00	£9,000.00	£6,000.00	£7,500.00	
Utilities	£500.00	£450.00	£450.00	£450.00	£450.00	£450.00	£450.00	£500.00	£600.00	£500.00	£600.00	£600.00	
Insurances	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	£700.00	
Telephone & IT	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	£190.00	
Misc	£350.00	£375.00	£387.50	£375.00	£350.00	£325.00	£362.50	£412.50	£475.00	£450.00	£300.00	£375.00	
Total Purchases	£11,140.00	£12,653.00	£12,915.50	£12,653.00	£12,128.00	£11,603.00	£12,390.50	£13,490.50	£14,903.00	£14,278.00	£11,228.00	£12,803.00	
Salaries	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	£10636.00	
CASH IN BANK	£624.00	£6935.00	£14183.50	£21094.50	£26730.50	£30891.50	£36265.00	£44338.50	£55799.50	£67285.50	£71821.50	£77182.50	

ABACUS PRINT LIMITED - LIABILITIES

Class of creditor	Category of creditor	Name of creditor	Amount (£)	Total Amount (£)
Ordinary Preferential	Wages & Holiday	Mr Barry Coombes	1,530.76	
		Mr Mukesh Hirani	1,133.90	
		Mrs Alison Luck	614.19	
		Mr David Phillips	1,393.60	
		Mr Jonathan White	1,319.23	
		Mr Jonathan Luck	438.44	
				6,430.12
2nd Preferential	HM Revenue & Customs	HMRC - PAYE/NIC	47,800.00	
		HMRC - VAT	2,200.00	
				50,000.00
Unsecured Creditors	Trade & Expense	Antalis	2,676.15	
		AIT	1,991.70	
		Evolve Complete Print Solutions	10,756.56	
		Graphic Artz	636.78	
		Heidelberg	15,052.04	
		Lazer Print Limited	463.20	
		Linstrom Ltd	230.42	
		Ovendens	21,010.81	
		Profoil	665.07	
		Repro-Link	1,387.90	
		Time & Chance Limited	80,000.00	
		Colophon & Lavengro Print Ltd	12,856.70	
		B&H Print Engineers	316.80	
		Graphic Arts Supplies Ltd	1,021.12	
		Creasetech	587.40	
				149,652.65
Unsecured Creditors	Banks & Institutions	HSBC Bank plc (Overdraft)	20,000.00	
		HSBC Bank plc (Credit Card)	5,500.00	
		HSBC Bank plc (BB Loan)	48,000.00	
		Funding Circle**	56,600.00	
				130,100.00
Unsecured Creditors	Redundancy & PILON	Mr Barry Coombes	3,795.65	
		Mr Mukesh Hirani	7,480.72	
		Mrs Alison Luck*	5,899.49	
		Mr David Phillips	14,513.08	
		Mr Jonathan White	13,634.59	
		Mr Jonathan Luck*	4,211.37	
				49,534.90
Unsecured Creditors	Associated Claims	Mr Jonathan Luck*	45,000.00	
				45,000.00

* denotes associated creditor

**denotes personally guaranteed liability by the Director

ABACUS PRINT LIMITED
PROPOSED ADMINISTRATION

ESTIMATED OUTCOME STATEMENT AS AT 25 MARCH 2022

	Book Value	Forced Sale Basis	The 6IX Agency Ltd	Spema Print Ltd	Time & Chance Property Ltd
	£	£	£	£	£
Asset Realisations					
Goodwill (A)	1,000	-	-	-	-
Plant and machinery (B)	24,000	8,900	-	-	-
Motor Vehicles (C)	3,300	2,700	-	-	-
Office furniture & equipment (D)	1,200	720	-	-	-
Stock (E)	500	150	-	-	-
Miscellaneous Items (F)	860	500	-	-	-
Work in Progress (G)	3,000	300	-	-	-
Offer (A,B,C,D,E,F&G)	-	-	36,000	24,000	35,000
Deferred consideration (Note 1)	8,000	4,000	40,500	16,200	-
Book Debts (Note 2)	22,520	13,512	22,520	22,520	22,520
Estimated Total Realisations	64,380	30,782	99,020	62,720	57,520
Less: Estimated Costs of the Administration					
Petitioner's Costs		2,000	-	-	-
Specific Bond		220	380	380	380
Administrator Fees - Pre Appointment (Note 3)		-	6,000	6,000	6,000
Administrator's Remuneration (Note 4)		-	20,000	20,000	20,000
Official Receivers General Fee		6,000	-	-	-
Official Receivers Administration Fee		2,775	-	-	-
Official Receivers Remuneration (15% of asset realisations)		4,617	-	-	-
Agents/Valuers Fees (Note 5)		3,297	5,600	4,400	5,500
Legal Fees		-	-	-	-
Court Fees		-	50	50	50
Statutory Advertising		170	85	85	85
Estimated total costs of the Administration		(19,079)	(32,115)	(30,915)	(32,015)
Estimated surplus available for Ordinary Preferential Creditors		11,703	66,905	31,805	25,505
Ordinary Preferential Creditors - Employees arrears of pay and holiday pay		(6,430)	-	(6,430)	-
Estimated Dividend to Ordinary Preferential Creditors (p in £)		100.00	-	100.00	-
Estimated surplus available for Secondary Preferential Creditors		5,273	66,905	25,375	25,505
Secondary Preferential Creditors - HMRC (VAT/PAYE/NIC)		(50,000)	(50,000)	(50,000)	(50,000)
Estimated Dividend to Secondary Preferential Creditors (p in £)		10.55	100.00	50.75	51.01
Estimated surplus available for Unsecured Creditors		-	16,905	-	-
Unsecured Creditors					
Trade and expense creditors		(149,652)	(149,652)	(149,652)	(149,652)
Banks/institutions		(130,100)	(130,100)	(130,100)	(130,100)
Employees - Redundancy and pay in lieu of notice claims		(49,535)	-	(49,535)	-
Associated creditors		(45,000)	(45,000)	(45,000)	(45,000)
Estimated total Unsecured Creditors		(374,287)	(324,752)	(374,287)	(324,752)
Estimated Deficit to Unsecured Creditors		(374,287)	(307,847)	(374,287)	(324,752)
Estimated Dividend to Unsecured Creditors (p in £)		-	5.21	-	-

Notes

- These sums have been calculated using the estimated average turnover of the Company stated as £45,000 per month pre Covid pandemic. Competing offers have been submitted to account for 7.5% and 3% respectively of the turnover generated within the first twelve months post acquisition.
- Debtors have been written down by 40% in the event that the Company is placed into compulsory liquidation.
- This sum has been approved by the Board of Directors and has been calculated as a fixed fee by the proposed Administrator.
- These costs have been estimated by the proposed Administrator on a time costs basis.
- These costs have been agreed by the Board of Directors on the basis of the agents scale of charges which comprise of a fixed valuation fee of £2,000 plus a sales commission rate of 10% of realised assets (excluding deferred consideration).

General Note - All sums prescribed within the statement are exclusive of VAT.

Proof of Debt Form

Abacus Print Limited - In Administration

1	Creditor Name (If a company, please also state company registration number)	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Position with or in relation to creditor Address of person signing (if different from 2 above)	



ADMINISTRATION: A GUIDE FOR CREDITORS ON INSOLVENCY PRACTITIONER FEES

ENGLAND & WALES

1 Introduction

- 1.1 When a company goes into administration, the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees (also referred to as remuneration). This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- a) rescuing the company as a going concern, or
- b) achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- c) realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. An invitation to decide on whether a committee is to be established will be sent to creditors at the same time as any decision of the creditors is sought. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides they need to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of the administrator's functions.

4 Fixing the administrator's fees

4.1 Basis

- 4.1.1 The basis for fixing the administrator's fees is set out in Rule 18.16 of the Insolvency Rules 2016, which states that it must be fixed:

- as a percentage of the value of the property which the administrator has to deal, or



- by reference to the time properly given by the administrator and their staff in attending to matters arising in the administration, or
- as a set amount.

4.1.2 Any combination of these bases may be used to fix the fees, and different bases may be used for different things done by the administrator. Where the fee is fixed as a percentage, different percentages may be used for different things done by the administrator.

4.1.3 Where remuneration is sought on more than one basis by the administrator, it should be clearly stated to which part of the administrator's activities each basis relates.

4.1.4 Payments to an administrator from an administration should be fair and reasonable reflections of the work necessarily and properly undertaken in respect of the administrator's appointment. These payments should not be approved by any party with whom the administrator has a professional or personal relationship which gives rise to a conflict of interest. Those responsible for approving payments from an administration to an administrator or their associates should be provided with sufficient information to enable them to make an informed judgement about the reasonableness of the administrator's requests.

4.1.5 Information provided by the administrator should be presented in a manner which is transparent, consistent throughout the life of the appointment and useful to creditors and other interested parties, whilst being proportionate to the circumstances of the appointment.

4.2 Advance information where fees not based on time costs

4.2.1 Prior to the determination of the basis of fees, the administrator must give the creditors details of the work the administrator proposes to undertake, and the expenses they consider will be, or are likely to be, incurred.

4.3 Fee estimates where fees to be based on time costs

4.3.1 Where the administrator proposes to take fees based on time costs, they must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –

- details of the work the administrator and their staff propose to undertake;
- the hourly rate or rates the administrator and their staff propose to charge for each part of that work;
- the time the administrator anticipates each part of that work will take;
- whether the administrator anticipates it will be necessary to seek approval or further approval under the Rules; and
- the reasons it will be necessary to seek such approval.

4.3.2 When providing a fees estimate the administrator should supply that information in sufficient time for creditors (including when acting through a committee) to be able to make an informed judgement about the reasonableness of the administrator's requests. Fees estimates should be based on all of the information available to the administrator at the time that the estimate is provided.



4.3.3 In addition, the administrator must give the creditors details of the expenses they considers will be, or are likely to be, incurred.

4.3.4 The fees estimate and details of expenses may include fees anticipated to be charged and expenses anticipated to be incurred if the administrator becomes the liquidator where the administration moves into winding up.

4.4 Who fixes the fees?

4.4.1 It is for the creditors' committee (if there is one) to determine on which bases, or combination of bases, the fee is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 18.16(9) says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, their duties;
- the value and nature of the property with which the administrator has to deal.

4.4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's fee may be fixed by a decision of the creditors by a decision procedure having regard to the same matters as apply in the case of the committee. If the fee is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless they have first tried to get their fees fixed by the committee or creditors as described above, and in any case not later than 18 months after their appointment.

4.4.3 There are special rules about creditors' decisions in cases where the administrator has stated in their proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the prescribed part which may have to be set aside out of floating charge assets.

4.4.4 In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the basis of the administrator's fees may be fixed by –

- the consent of each of the secured creditors of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - the consent of each of the secured creditors of the company; and
 - a decision of the preferential creditors in a decision procedure.

4.5 Review of fees

4.5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's fee was fixed, the administrator may request that it be changed. The request must be



made to the same body as initially approved the fees, and the same rules apply as to the original approval.

5 Approval of pre-administration costs

- 5.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 6. Pre-administration costs are subject to approval under Rule 3.52.
- 5.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a decision of the creditors. Where the circumstances described in paragraph 4.4.4 apply, the determination may be made by the same creditors as approve the administrator's fees.
- 5.3 The administrator must convene a meeting of the committee or seek a decision of the creditors by a decision procedure for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

6 What information should be provided by the administrator?

6.1 General principles

- 6.1.1 The administrator should provide those responsible for approving the fees with sufficient information to enable them to make an informed judgement about the reasonableness of the administrator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to creditors, while being proportionate to the circumstances of the case.
- 6.1.2 The administrator should provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration.
- 6.1.3 The administrator should disclose:
- a) all payments arising from the insolvency appointment to the administrator or their associates;
 - b) the form and nature of any professional or personal relationships between the administrator and their associates.
- 6.1.4 The administrator should inform creditors and other interested parties of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.



6.1.5 Where the administrator sub-contracts work that could otherwise be carried out by the administrator or their staff, this should be drawn to the attention of creditors and other interested parties with an explanation of why it is being done, what is being done, and how much it will cost.

6.2 Key issues

6.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the administrator anticipates will be done, and why that work is necessary;
- the anticipated payment for that work;
- whether it is anticipated that the work will provide a financial benefit to creditors, and if so what anticipated benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual payment for the work, as against any estimate provided;
- whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

6.2.2 When providing information about payments from the administration, the administrator should do so in a way which clearly explains the key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows creditors and other interested parties to better recognise the nature of an administrator's role and the work they intend to undertake, or have undertaken, in accordance with the key issues.

6.2.3 When approval for a set fee or a percentage basis is sought, the administrator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the administrator anticipates will be undertaken. Where a set amount or a percentage basis is being used, an explanation should be provided of the direct costs included. The administrator should not seek to separately recover sums already included in a set amount or percentage basis fee and should be transparent in presenting any information.

6.3 Fees estimates

6.3.1 When providing a fees estimate of time to be spent, creditors and other interested parties may find a blended rate (or rates) and total hours anticipated to be spent on each part of the anticipated work more easily understandable and comparable than detail covering each grade or person working on the appointment. The estimate should also clearly describe what activities are anticipated to be conducted in respect of the estimated fee.

6.3.2 The information provided in the fees estimate may not be presented on the basis of alternative scenarios or provide a range of estimated charges. However for other payments that the administrator anticipates will be, or are likely to be, made, it is acceptable to provide a range or repeat a range quoted by a third party, for example legal costs in litigation in any expense estimates.



6.4 Expenses

6.4.1 Expenses are any payments from the administration which are neither an administrator's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the administrator, and then reimbursed to the administrator from the administration.

6.4.2 Expenses are divided into those that do not need approval before they are charged to the administration (category 1) and those that do (category 2).

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the administrator. Category 1 expenses can be paid without prior approval.
- Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an administrator's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

6.4.3 When seeking approval of category 2 expenses, the administrator should explain, for each expense, the basis on which the expense is being charged to the administration. If the administrator has obtained approval for the basis of category 2 expenses, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the administrator is replaced.

6.4.4 Any shared or allocated payments incurred by the administrator or their firm are to be treated as category 2 expenses and approval sought before payment.

6.4.5 The following are not permissible as either remuneration or an expense:

- a) an expense or any other charge calculated as a percentage of remuneration;
- b) an administration fee or charge additional to an administrator's remuneration;
- c) the recovery of any overheads other than those absorbed in the charge out rates.

7. Exceeding the amount set out in the fees estimate

7.1 Fees cannot be drawn in excess of the total amount set out in the fees estimate without approval, which must be made to:

- the creditors' committee, where the committee fixed the basis;
- the creditors or class of creditors, where the creditors fixed the basis;
- the court, where the court fixed the basis.

7.2 The above will apply in most circumstances, however, if there is a change in circumstance and there are (or are likely to be) sufficient realisations that enable a distribution to unsecured creditors (the prescribed part no longer applying), then approval is to be sought from the creditors' committee. If there is no committee, then approval is to be sought from creditors by decision procedure.



7.3 The request for approval must specify –

- the reason why the administrator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the administrator has undertaken or proposes to undertake;
- the hourly rate or rates the administrator proposes to charge for each part of that additional work;
- the time that additional work has taken or the administrator anticipates that work will take;
- whether the administrator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

8. Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. In addition to the items discussed above, the report must include:

- details of the basis fixed for the fees of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the fee charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the fees charged during the periods covered by the previous reports, together with a description of the things done during those periods, irrespective of whether payment was actually made during the period of the report;
- if fees have been fixed on a time costs basis, the actual hours and average rate (or rates) of the costs charged for each part of the work;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- where appropriate, a statement setting out whether, at the date of the report–
 - the fees expected to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate;
 - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of the fees; and



- the reason for that excess.
 - the date of approval of any pre-administration costs and the amount approved;
 - a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's fees and expenses.
- 8.2 Within 21 days of receipt of a progress report, a creditor may request the administrator to provide further information about the fees and expenses (other than pre-administration costs) set out in the report. A request must be in writing and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including themselves) or the permission of the court.
- 8.3 The administrator must provide the requested information within 14 days, unless they consider that:
- the time and cost involved in preparing the information would be excessive, or
 - disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
 - the administrator is subject to an obligation of confidentiality in relation to the information requested,
- in which case the administrator must give the reasons for not providing some or all of the information.
- 8.4 Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.
- 9. Provision of information – additional requirements**
- 9.1 The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.
- 9.2 The information which must be provided is –
- the total number of hours spent on the case by the administrator or staff assigned to the case;
 - for each grade of staff, the average hourly rate at which they are charged out;
 - the number of hours spent by each grade of staff in the relevant period.
- 9.3 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where they have vacated office, the date that they vacated office.
- 9.4 The information must be provided within 28 days of receipt of the request by the administrator and requests must be made within two years from vacation of office.
- 9.5 Requests for additional information about payments should be viewed upon their individual merits and treated by the administrator in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the appointment.



10 What if a creditor is dissatisfied?

- 10.1 If a creditor believes that the administrator's fees are excessive, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive, the creditor may, provided certain conditions are met, apply to the court.
- 10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including themselves) agree, or they have the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress or final report in which the charging of the fee or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 10.3 If the court considers the application well founded, it may order that the fees be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

- 11.1 If the administrator considers that the fee fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate they may request that the amount or rate be increased, or the basis changed, by decision of the creditors. If the administrator considers that the fee fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, they may apply to the court for the amount or rate to be increased or the basis changed. If the administrator decides to apply to the court, they must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to fees

- 12.1 Where there are joint administrators, it is for them to agree between themselves how the fee payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a decision of creditors.
- 12.2 If a new administrator is appointed in place of another, any decision, determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further decision, determination, resolution or court order is made.
- 12.3 Where the basis of the fee is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the fees. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.
- 12.4 Where realisations are sufficient for creditors to be paid in full with interest, the creditors will not have the principal financial interest in the level of payments from the estate. Once this has been established by the administrator, they should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards set out above.



13. Effective date

- 13.1 This guide applies where an administrator is appointed on or after 1 October 2015, or where information is provided by the administrator about fees, expenses or other payments after 6 April 2017.
- 13.2 ***Please note that insolvency practitioners were subject to different regulatory requirements prior to 1 April 2021. Therefore, information provided by insolvency practitioner prior to that date may vary slightly to the information required as set out in this guide.***