

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

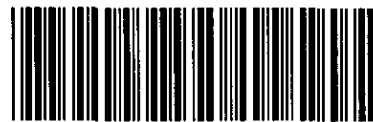
AM03

Notice of administrator's proposals



Companies House

FRIDAY



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14/07/2017

#17

COMPANIES HOUSE

1 Company details

Company number 06615561
Company name in full 4Media Ltd

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

2 Administrator's name

Full forename(s) Frank
Surname Wessely

3 Administrator's address

Building name/number 81 Station Road
Street Marlow

Post town Bucks

County/Region

Postcode SL7 1NS

Country

4 Administrator's name

Full forename(s) Simon
Surname Campbell

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

5 Administrator's address

Building name/number Office D
Street Beresford House

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

Post town Town Quay

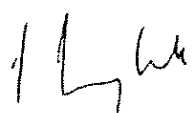
County/Region Southampton

Postcode SO14 2AQ

Country

AM03

Notice of Administrator's Proposals

| | |
|------------------------------|--|
| 6 | Statement of proposals |
| | <input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals |
| 7 | Sign and date |
| Administrator's Signature | <div>Signature </div> <div><input checked="checked" type="checkbox"/></div> |
| Signature date | <div>12/07/2017</div> |

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.

| | |
|----------------|-----------------------------|
| Presenter name | Tim Hollingsworth |
| Company name | Quantuma LLP |
| Address | Office D Beresford House |
| | Town Quay |
| | Southampton |
| Reference | S O 1 4 2 A Q |
| Company | |
| Phone | |
| Mobile | 02380336464 |



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

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

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

High Court of Justice, Chancery Division, Birmingham District Registry
Court No. 8152 of 2017

4Media Ltd
In Administration

THE JOINT ADMINISTRATORS' PROPOSAL

Frank Wessely and Simon Campbell
Joint Administrators

Quantuma LLP

Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

02380336464

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1. Executive Summary

- 1.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2 The business was established on 10 June 2008 and the principal activity of the Company was a public relations consultant providing creative Online, Radio and TV media campaigns, and traded from rented premises at 19 Hayward's Place, London EC1R 0EH. On 22 June 2017, Frank Wessely and Simon Campbell of Quantuma LLP were appointed Joint Administrators of the Company by the Directors.
- 1.3 As explained in more detail in the Statement of Proposals, the Joint Administrators are currently pursuing the second statutory objective of 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).
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

| Asset | Realisations to date | Anticipated future realisations | Total anticipated realisations |
|---------------------------------------|----------------------|---------------------------------|--------------------------------|
| Goodwill | £6,294.00 | £48,700.00 | £54,994.00 |
| Equipment | £1.00 | Nil | £1.00 |
| Seller's Records | £1.00 | Nil | £1.00 |
| Work in progress | £1.00 | Nil | £1.00 |
| Leasehold Property | £1.00 | Nil | £1.00 |
| Customer Contracts | £1.00 | Nil | £1.00 |
| Business Intellectual Property Rights | £1.00 | Nil | £1.00 |
| Insurance Claim | £1,000.00 | Nil | £1,000.00 |
| Book Debts | Nil | Nil | Nil |

Expenses

| Expense | Expense incurred to date | Anticipated further expense | Total anticipated expense |
|----------------------------|--------------------------|-----------------------------|---------------------------|
| Pre Administration Costs | £42,337.50 | Nil | £15,000.00 |
| Joint Administrators' fees | £11,880.00 | Nil | £9,600.00 |
| Solicitors' fees | £8,000.00 | Nil | £8,000.00 |
| Agents' fees | £4,000.00 | Nil | £4,000.00 |
| All other expenses | £152.50 | £847.50 | £1,000.00 |
| Capital Gains Tax | £3,680.00 | Nil | £3,680.00 |

Dividend prospects

| Creditor class | Distribution / dividend paid to date | Anticipated distribution / dividend |
|------------------------------------|--------------------------------------|-------------------------------------|
| Secured creditor (fixed charge) | Nil | £14,720 |
| Secured creditor (floating charge) | Nil | Nil |
| Preferential creditors | N/A | N/A |
| Unsecured creditors | Nil | Nil |

- 1.5 The Statement of Proposals at Appendix I provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as other statutory information.
- 1.6 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 1.7 Definitions of the terms used in this Proposal are provided in Appendix I together with all statutory information pertaining to the Company.

2. Statement of Pre-Administration Costs

- 2.1 Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered Administration but with a view to its doing so.

This statement outlines those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

- 2.2 On 27 April 2017 the Company agreed with the proposed Joint Administrators that Quantuma LLP be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing 4Media Ltd into Administration. The unpaid pre appointment time costs were capped at £15,000 with the agreement of the chargeholder.
- 2.3 As aforementioned the unpaid pre appointment costs have been capped at £15,000 however the total pre appointment costs of the Joint Administrators in the sum of £42,337.50 were incurred in relation to the following activities:
 - Confirming that one of the statutory objectives of administration could be achieved;
 - Negotiating a pre-packaged sale of the Company's business and assets in order to maximise realisations for creditors;
 - Marketing the business for sale utilising the most advantageous methods;
 - Liaising with secured creditors, key stakeholders and major creditors;
 - Issuing four Notice of intention to appoint administrators by company or directors in order to preserve the assets whilst arranging a sale;
 - Carrying out all necessary steps in order to place the Company into administration.

In this case, further work was also done in the interests of Creditors prior to my appointment as Joint Administrator to prepare for the sale of the business and assets shortly following my appointment. It will be appreciated that, had this commercial opportunity not been available, it would have still been necessary to obtain valuations and instruct agents and solicitors to assist in disposing of the assets following my appointment, and for me to manage and oversee the asset realisation process. To that extent, these costs are not additional costs that would have been saved, had the assets been disposed of later.

Attached at Appendix II is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within Appendix III are Quantuma LLP's charge-out rates and bases of disbursements.

2.4 The pre appointment disbursements of the Joint Administrators are outlined below:

| | £ |
|-----------------|---------------|
| Category 1 | |
| Marketing Costs | 87.50 |
| Total | £87.50 |
| Category 2 | |
| Credit Search | 12.00 |
| Total | £12.00 |

2.5 Gordons Solicitors Limited were instructed on 21 April 2017 to provide legal advice to the Company and the proposed Administrators. It has been agreed that their services would be provided on a fixed fee basis and it is anticipated that costs and expenses of £8,000.00 will be billed for the pre administration period in connection with the following activities:

- Assisting with the preparation of the pre appointment Notice of intention to appoint administrators by company or directors, attached documentation and certain serving requirements;
- Assisting with the preparation of the Notice of appointment of an administrator by company or directors and attached documentation;
- Assisting with the preparation of Sale Agreement, property assignment, TUPE of employees and anti-embarrassment agreement.

SIA Group (UK) Limited were instructed on 16 May 2017 to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to provide advice in respect of the offer received by the Company for its business and assets from the purchaser.

It was agreed that their services would be provided on a fixed fee plus commission basis and consequently a fixed of £1,500.00 together with marketing costs of £130.00 and disbursements of £120.00 has been paid by the Company in the pre administration period.

Additionally SIA Group (UK) Limited are due pre appointment commissions in the sum of £4,000.00 in relation to the sale of business.

2.6 We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

2.7 A summary of the total costs incurred together with details of those which were paid pre-Administration and the amounts remaining outstanding, follows below:

| | Total cost incurred | Amount already Paid | Identity of party who made payment | Amount Outstanding |
|--|---------------------|---------------------|------------------------------------|------------------------|
| | £ | £ | | £ |
| Administrators' pre-administration Remuneration | 42,337.50 | 3,000.00 | The Company | 15,000.00 (as per cap) |
| Administrators' pre-administration Expenses: | | | | |
| Legal costs & | | | | |
| Legal Disbursements | 8,000.00 | Nil | n/a | 8,000.00 |
| Valuation Agent's costs | 5,500.00 | 1,500.00 | The Company | 4,000.00 |
| Marketing | 130.00 | 130.00 | The Company | Nil |
| Disbursements | 120.00 | 12.00.00 | The Company | Nil |
| Administrators' Pre-administration Disbursements | | | | |
| Category 1 | 87.50 | Nil | n/a | 87.50 |
| Category 2 | 12.00 | Nil | n/a | 12.00 |
| Total Amount Outstanding | | | | £27,099.50 |

2.8 Consequently the unpaid pre-Administration costs are as follows:

| | £ |
|---|-------------------|
| Quantuma LLP's time costs (see Appendix II) | £15,000.00 |
| Quantuma LLP's disbursements | £99.50 |
| Agents' costs | £4,000.00 |
| Solicitors' costs | <u>£8,000.00</u> |
| Total | £27,099.50 |

2.9 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 9.

3. The Joint Administrators' Fees

3.1 The Joint Administrators propose to fix their fees on the following basis:

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time the work is performed (plus VAT);

3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 5 July 2017. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

3.3 The charge-out rates of the Joint Administrators and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being agreed. The grades of staff instructed to assist in this matter and their key responsibilities include:

- Administrators: maintenance of the creditors' contacts database, assisting with creditors' queries and routine correspondence, assisting in the realisation of assets, liaising with creditors and debtors, preparing reports to creditors and other statutory matters, and managing the cashing function
- Managers: reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors and overseeing the tax and VAT aspects of the case

3.4 Creditors may access a Guide to Administrators' Fees effective from 6 April 2017 at <http://www.quantuma.com/guide/creditors-guide-fees/> or a hard copy will be provided on request free of charge.

3.5 Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

4. The Joint Administrators' Expenses

4.1 The Joint Administrators' expenses may be divided into two categories:

- Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

4.2 Appendix III provides details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

5. Proposed Work to be Undertaken

5.1 Set out in Appendix V is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake. 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)

5.2 The Joint Administrators are 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, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

5.3 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 the Joint Administrators 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

5.4 The Joint Administrators examine 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 Joint Administrators 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).

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

5.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Joint Administrators' 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 the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators 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.

5.8 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 the Joint Administrators consider that additional work is required, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

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

- Finalising certain aspects of the sale of the Company's chattel assets, insurance claim and intellectual property;
- Collecting the deferred consideration for the sale of the business and assets as and when it becomes due;
- Monitoring the purchaser's licence to occupy and assisting to arrange an assignment of the lease; and
- Maintaining appropriate insurance cover on the Company's assets until they have been disposed of.

Creditors (claims and distributions)

5.10 As the Statement of Proposals explains, there a number of different classes of creditor involved in the Administration that require the Joint Administrators' attention. In particular, the Joint Administrators anticipate conducting the following key tasks:

- Liaising with the secured creditors in relation to the sale of assets subject to their security;
- With the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
- 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.

6. Other Information to Support the Proposed Fees

6.1 Attached at Appendix V is an estimate of the time that the Joint Administrators envisage the above work will take to complete. Appendix V also provides their estimate of the expenses that have been or are likely to be incurred.

6.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval

if they propose to draw any fees in addition to those estimated from the insolvent estate.

6.3 In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £20,033.75 in conducting the tasks described. This estimate includes the time spent to date of £11,880.00 as described in Appendix IV.

6.4 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 above will be carried out;
- no exceptional work will need to be conducted in order to collect in the deferred consideration, insurance settlement or anti-embarrassment clause settlement arising from the sale of business;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration, subject to the anti-embarrassment clause not being triggered with the last 2 months of the Administration.

6.5 On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

6. The Joint Administrators' Discharge

6.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured and unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

7. Invitation to Form a Creditors' Committee

7.1 Attached at Appendix VIII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.

7.2 In the absence of a Committee, this responsibility falls to the secured and unsecured creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.

7.3 Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

8. Approval Process

8.1 The Joint Administrators are proposing the decisions set out below by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules. Creditors are not required to vote on these proposed decisions, but they may object to their approval. Please see the Notice Seeking Deemed Consent attached at Appendix VII for further information.

- That the Joint Administrators' Proposals (i.e. the statutory Statement of Proposals at Appendix I), be approved;
- That a Creditors' Committee will not be established; and
- That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.

8.2 The Joint Administrators are seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VII together with a Notice of Decision Procedure setting out the following proposed decisions:

- That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken;
- That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's Summary; and
- That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.

8.3 The Joint Administrators must receive completed forms by no later than 23.59 on 2 August 2017 to enable your vote to be counted.

8.4 Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix VII can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which this Proposal was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

Should you have any queries in regard to any of the above please do not hesitate to contact Tim Hollingsworth on 023 8082 1872 or by e-mail at tim.hollingsworth@quantuma.com.

Dated this 12 July 2017



Simon Campbell
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association.

The affairs, business and property of 4Media Ltd (in Administration) are managed by the Joint Administrators, who act as agents of the Company and contract without personal liability

4Media Ltd (In Administration)

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

Appendix I
to the Joint Administrators' Proposal

**High Court of Justice, Chancery Division, Birmingham District Registry Court No. 8152
of 2017**

**4Media Ltd
In Administration**

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Frank Wessely and Simon Campbell
Joint Administrators**

Quantuma LLP

Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

02380336464

Disclaimer Notice

- This Statement of Proposals has been prepared by Frank Wessely and Simon Campbell, the Joint Administrators of 4Media Ltd, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for 4Media Ltd and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of Quantuma LLP are licensed in the UK to act as Insolvency Practitioners.

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9. Summary of the Joint Administrators' Statement of Proposals

Attachments

- A Definitions
- B Statutory Information and SIP16 Statement
- C Estimated Financial Statement as at 22 June 2017 and Creditors' Details
- D Estimated Outcome Statement as at 22 June 2017

1. Introduction

1.1 This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.

1.2 The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.

1.3 This Statement of Proposals is being delivered to creditors on 12 July 2017.

Creditors are invited to decide whether to approve the Joint Administrators' proposals. Section 8 provides further details on this decision process.

2. Background to the Company

2.1 The business was established on 10 June 2008 and the principal activity of the Company was providing public relations consultancy services including creative Online, Radio and TV media campaign.

2.2 The Company traded from leased premises at 19 Hayward's Place, London EC1R 0EH.

2.3 The company sought funding from National Westminster Bank PLC and on 2 July 2014 a fixed and floating charge was created. The business began to operate a spot financing facility on sizable invoices in order to unlock cash flow.

2.4 On 12 April 2017, the Company was advised of an Advance penalty notice from HMRC in relation to back dated PAYE liabilities arising from a number of EFURB Schemes and following receipt of the unexpected tax liabilities, the management team identified a number of discrepancies in the business' accounts. HMRC issued a notice of intention to re-enter the Company premises on 18 April 2017. The Company had also built up a large VAT liability. As the Company maintained inadequate financial records it was difficult to ascertain its true financial position however an interim Financial Director was appointed to produce the accounts, detailed below. The Company did not have sufficient cash flow to make payments to HMRC and to meet business overheads such as wages and rent therefore it was clear that the company was insolvent as it was unable to meet its liabilities as and when they fell due.

Overview of Financial Information

2.5 Extracts from the draft management accounts for the period 1 November 2016 to 28 February 2017 are shown below.

2.6 Please note that this information has not been verified by the Joint Administrators or by Quantuma LLP. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account.

Summary Profit and Loss Account

| | Draft Management Accounts for year to 28/02/2017 £ |
|------------------------------------|---|
| Revenue | 629,304 |
| Cost of Sales | (176,070) |
| Direct Expenses | (39,300) |
| Gross Profit | 419,934 |
| Overheads | (540,327) |
| Net Profit/(Loss) | (126,393) |
| <i>Source: Management Accounts</i> | |

We have contacted the Company on various occasions to obtain copies of recent full management accounts however the information above represents the financial information that has been supplied. The Company has filed accounts however there are a number of accounting errors which have cast doubt over the accuracy of the statements.

Management and Employees

2.7 As at 22 June 2017, the Company employed 26 staff, as follows:

| | |
|--|-----------|
| 4Media Ltd | 23 |
| Shared responsibilities with Atomik Research Limited | <u>3</u> |
| | <u>26</u> |

2.8 Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

3. Events leading to the Administration

- 3.1 Quantuma LLP was referred to the Company by Rob Churchward, who was acting as interim finance director. The Company had prepared inaccurate accounts which led to number of unexpected tax liabilities and took steps to appoint an interim finance director to resolve the issues. As a result of this, it became apparent that the Company was struggling to pay its debts and may be insolvent. Moreover, National Westminster Bank PLC withdrew the Company's invoice discounting facilities. Frank Wessely first met with the director of the Company on 29 March 2017 to discuss the financial position.
- 3.2 HMRC levied a Controlled Goods Agreement on 18 April 2017 so in order to protect the Company and assets, a Notice of Intention to Appoint Administrators was filed at Court on 26 April 2017. This meant that the Company was able to fully market the business and assets and explore a sale. Further Notice of Intention to Appoint

Administrators were filed on 11 May 2017, 25 May 2017 and 8 June 2017 as discussions between the Company and external investors had taken longer than initially anticipated and discussions with regards to the sale of business assets was ongoing. Additionally, the Company suffered a flood at the premises and a lack of resources assisting in the collation of the required information, led to a delay in progressing the sale of business to the point where Administrators could be appointed.

- 3.3 On 22 June 2017, Frank Wessely and Simon Campbell of Quantuma LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors.
- 3.4 The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.
- 3.5 For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

4. The Purpose of the Administration

- 4.1 The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely to be achieved 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.
- 4.2 These objectives form a hierarchy. The rescue of a company is the priority. 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 preferential or secured creditors.
- 4.3 The Joint Administrators would comment that rescuing the company was considered and explored however there was a lack of working capital and no external investment could be found in the required time scale.
- 4.4 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). The Joint Administrators would comment that the Administration has enabled a sale of the business and assets to be achieved and provided a moratorium against creditor action.
- 4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Management of the Company's Affairs since the Joint Administrators' Appointment

- 5.1 Prior to appointment the proposed Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the management of the Company. The proposed Joint Administrators decided that it would not be appropriate to continue the business of the Company and that an immediate sale of the Company's business and assets following their appointment was the best way to achieve the objective of the Administration. As a result on 22 June 2017, we sold the Company's business and assets to All Global Media Limited.

The sale of the Company's business and assets

- 5.2 A pre-pack sale was undertaken and the information relating to this sale is attached at Attachment B.

Sales to connected parties

- 5.3 There have been no other sales of any of the Company's assets to connected parties since the Joint Administrators' appointment.

Assets remaining to be realised

- 5.4 On the Joint Administrators' appointment, the value of the Company's sales ledger was £52. As illustrated in the Estimated Financial Statement at Attachment C, on the basis of current information, it is estimated that book debt collections will total nil as they are uneconomic to recover.

Post appointment strategy

- 5.5 Following the appointment of the Joint Administrators on 22 June 2017 at 2.05pm and the sale of business completing at 3.25pm, there was insufficient time for the Joint Administrators' staff to attend the Company's site. Consequently the Staff were informed that a sale of the business and assets had been completed to All Global Media Limited by the management team. Staff were then informed that their employment had been transferred under TUPE.
- 5.6 The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.7 The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters.
- 5.8 Legal advice has been required in relation to the property and lease. All Global Media Limited was granted an assignment of the leasehold property of the Company on completion of the sale of business and assets. The Joint Administrators instructed their legal advisers to manage the assignment of lease.

- 5.9 A significant amount of office furniture and effects was financed by Lombard North Central plc ("Lombard"). The Joint Administrators' staff continue to liaise with Lombard and information continues to be provided to assist them in assessing their position. Particularly in relation to a flood at the Company's premises which is believed to have damaged a quantity of the assets.
- 5.10 To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Gordons Solicitors Limited, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.11 All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

- 5.12 The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 5.13 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcome for Creditors

- 6.1 The Directors have not, to date, submitted a signed Statement of Affairs, albeit they are currently in the process of drafting this. An Estimated Financial Statement of the Company, together with a list of the creditors, is attached at Attachment C for creditors' information. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.
- 6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees). The Estimated Outcome Statement at Attachment D, details the costs of the Administration and the anticipated outcome for creditors after these costs.
- 6.3 The Joint Administrators have not carried out any work of the nature of an audit on the information.

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Secured creditors

- 6.4 The Company's secured debt at the date of the appointment of the Joint Administrators, and as set out in the Estimated Financial Statement, can be summarised as follows:

| | £ |
|---|-----------------|
| Lombard | 28,280 |
| National Westminster Bank PLC (Spot factoring facility) | 81,000 |
| RBS Credit card | 10,000 |
| TOTAL | £109,280 |

- 6.5 As shown in the Estimated Financial Statement at Attachment C, there are fixed charge assets totalling £54,998 and floating charge assets totalling £1,002 which will be available to the secured creditors. As shown in the Estimated Outcome Statement at Attachment D, it is anticipated that Lombard's agreement will be assigned to the purchaser and, following completion of the negotiations, that they will not be expected to claim in the Administration. National Westminster and RBS are anticipated to receive £14,720 under their fixed charge, after the costs of the Administration.

Preferential claims

- 6.6 The employees of the company have been transferred under TUPE regulations to the purchaser and it is not anticipated that there will be any preferential claims in the matter.

Prescribed part

- 6.7 Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.8 From the Estimated Outcome Statement at Attachment D, you will note that the net property is estimated to be £1,002. Please note that the net property figures and associated costs can only be estimated at this stage and therefore the value of the prescribed part is only an estimate and is subject to change. In any event, it is anticipated that the net property is likely to be less than the prescribed minimum of £10,000. The Joint Administrators are of the view that the costs of making a distribution to unsecured creditors would be disproportionate to the benefits and so will not be making a distribution of the prescribed part to unsecured creditors.
- 6.9 The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because in any event it is anticipated that the net property will be less than £10,000.
- 6.10 On the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors.
- 6.11 The Joint Administrators are not attaching a receipts and payments account as the Solicitors are holding the balance due on completion of the sale of business and assets. No realisations have been made to date.

7. The Joint Administrators' Fees

- 7.1** The Joint Administrators propose to be remunerated on the basis of the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time the work is performed (plus VAT). The time costs drawn will not exceed £20,033 without additional approval from creditors;
- 7.2** The Joint Administrators will seek approval for the basis of their fees from the unsecured creditors, unless a Creditors' Committee is established.
- 7.3** Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

- 8.1** The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules.
- 8.2** Attached to the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix, is a Notice Seeking Deemed Consent, which describes how creditors may object to the acceptance of the Statement of Proposals or to the other proposed decisions.
- 8.3** 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 Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.
- 8.4** Unless the Joint Administrators receive the requisite number of objections to the proposed decision to approve the Statement of Proposals or of requests to convene a physical meeting as set out in the Notice, creditors will have deemed to have consented to approve the Statement of Proposals.

9. Summary of the Joint Administrators' Proposals

- 9.1** The Statement of Proposals is summarised below.
- 9.2** In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:
- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they collect the deferred sale consideration in relation to the sale of the Company's business and assets;
 - (ii) they 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 officer of the Company or any

person, firm or company that supplies or has supplied goods or services to the Company; and

- (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider *desirable or expedient at their 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.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Frank Wessely and Simon Campbell will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of 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. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Frank Wessely and Simon Campbell may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

Dated this 12 July 2017



Simon Campbell
Joint Administrator

The affairs, business and property of 4Media Ltd (in Administration) are managed by the Joint Administrators, who act as agents of the Company and contract without personal liability.

DEFINITIONS

| | |
|----------------------------|---|
| The Act | The Insolvency Act 1986 |
| The Rules | The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described) |
| The Statement of Proposals | The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act |
| The Joint Administrators | Frank Wessely and Simon Campbell |
| The Company | 4Media Ltd (in Administration) |
| The Court | High Court of Justice, Chancery Division, Birmingham District Registry |
| EBIT | Earnings before interest and tax |
| SPA | Sale & Purchase Agreement |
| RPO | The Redundancy Payments Office |
| HMRC | HM Revenue & Customs |
| ROT | Retention of Title |
| EOS | Estimated Outcome Statement |
| PP or Prescribed Part | The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 |
| QFCH | Qualifying Floating Charge Holder |
| SIP | Statement of Insolvency Practice (England & Wales) |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |

4Media Ltd (IN ADMINISTRATION)**STATUTORY INFORMATION**

| | |
|-------------------------------------|---|
| Company Name | 4Media Ltd |
| Previous Name(s) | |
| Trading Name(s) | |
| Proceedings | In Administration |
| Court | High Court of Justice, Chancery Division, Birmingham District Registry |
| Court Reference | 8152 of 2017 |
| Date of Appointment | 22 June 2017 |
| Joint Administrators | Frank Wessely Quantuma LLP 81 Station Road, Marlow, Buckinghamshire SL7 1NS and Simon Campbell Quantuma LLP Office D, Beresford House, Town Quay, Southampton, SO14 2AQ |
| Registered office Address | Office D, Beresford House, Town Quay, Southampton, SO14 2AQ |
| Company Number | 06615561 |
| Incorporation Date | 10/06/2008 |
| Company Secretary | Cassandra Maree Perivolaris |
| Appointment by | David Edward Cyster, a Director of the Company of 19 Hayward's Place, London EC1R 0EH |
| Directors at date of Appointment | David Edward Cyster David Ivor Cotgreave Layla May Cyster |
| Directors' Shareholdings | David Edward Cyster 150 Shares - 15% David Ivor Cotgreave 50 Shares - 5% |

4MEDIA LTD (IN ADMINISTRATION)

PRE-PACK SALE DISCLOSURE

In accordance with SIP16, details regarding the Sale of the Company's business and assets ("the Sale") and the events leading up to the Sale were issued to Creditors with Notice of appointment on 29 June 2017 and an extract of that letter is overleaf.

It was not practicable to issue these proposals with the SIP16 notice letter within 7 days as a number of costs were being collated following the sale which would have had a material impact on the Estimated Outcome Statement. It was therefore deemed appropriate for the Estimated Outcome Statement to be finalised before the proposals were circulated.



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Private and Confidential
TO ALL KNOWN CREDITORS

29 June 2017

Our Ref:
FFW/SXC/KLC/THS/6001897/101

Dear Sirs

4Media Ltd ("the Company") (In Administration)

I write to inform you that Frank Wessely and I were appointed Joint Administrators of the above Company on 22 June 2017. Formal notice of the appointment is attached.

Following Statement of Insolvency Practice 16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

PRE-PACKAGED SALE

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to achieve 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. This transaction enables the statutory purpose 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.

The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, Quantuma LLP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Quantuma LLP nor its insolvency practitioners advised the directors 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, the insolvency practitioners of Quantuma LLP took their own steps to prepare for their potential appointment as Joint Administrators. 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 of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated 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.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, 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, they concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Initial Introductions

The Company's directors were referred to Quantuma LLP by Rob Churchward of FD Function on 12 April 2017 to help advise on the options available for the Company, as it was deemed to be insolvent.

Quantuma LLP had no prior involvement with the Company prior to this.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. The fee agreed in respect of my pre-appointment advice was the time costs properly incurred by staff at Quantuma LLP's standard charge out rates. The sum of £3,000 has been received from the Company on account of these pre-appointment fees and the Joint Administrators intend to seek to have the balance of these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the directors of the Company on 21 April 2017.

The Company traded as a public relations consultant providing creative Online, Radio and TV media campaigns from 19 Hayward's Place, London EC1R 0EH.

The directors advised that the Company had become insolvent due to the following factors:-

- Inadequate financial records were kept and regular management accounts were not produced. Therefore the Company's 'true' financial position was not known.
- A number of financial errors were made in the Company's accounts which resulted in HMRC liabilities not being recorded correctly or acknowledged.
- By the time these errors were recognised and an interim finance director recruited to resolve the issues, the Company was not in a position to repay creditors as and when they fell due.

The Company granted the following security:

| <u>Type of security</u> | <u>Name of charge-holder</u> | <u>Date of creation of security</u> |
|-------------------------|-------------------------------|-------------------------------------|
| Debenture | National Westminster Bank PLC | 2 July 2017 |

We are aware that the Company is a Guarantor on an Aviation Loan Agreement made between Lombard North Central Plc ("Lombard") and 4Adventure Holdings Limited dated 5 December 2016.

It was apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were in a position to advance the necessary funding in order to reach a mutually agreeable time to pay arrangement with the Company's majority creditor, HMRC or to meet ongoing payments such as rent and employee wages.

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 following the appointment of Administrators.

The options listed below were considered with the directors.

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

Additional funding would have been required which is unlikely based on the Company's current financial position. The Company's investors confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade. The bank had withdrawn their financing facilities based on the Company's financial position.

Therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties. Furthermore, due to the nature of the PR industry the impact of a five year debt compromise on public record would severely hamper the working relationships with customers, many of whom are Blue Chip and would not deal with a supplier who is undergoing a long term restructuring procedure.

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 mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow 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 lease on the trading premises and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill.

The Joint Administrators' Options on Appointment

Prior to appointment, the proposed Joint Administrators had 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, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's major creditors, HM Revenue & Customs, National Westminster Bank PLC and Lombard were contacted and the Company's circumstances and proposed strategy were explained. The creditors did not raise objections to the proposed pre-pack strategy.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The Directors were asked to advise of any marketing conducted by the Company prior to approaching Quantuma LLP for advice and we were advised that they had held preliminary discussions with a major competitor, however this party confirmed they had no interest in moving forward. We were advised of no other interested parties apart from one of the directors.

Simon Morgan, MNAVA, of SIA Group (UK) Limited ("SIA") was then instructed to market the business and assets of the Company and were advised of all known interested parties.

The Company and Atomik Research Limited, which is also now in Administration, were marketed as a package due to the interdependency between the companies, however it was considered prudent to have separate valuations for both of the Companies.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising in The Times Newspaper, on the IP-BID.com (a website which specialises in allowing insolvency practitioners to market to a range of interested parties), a teaser document sent to the agent's database of potentially interested parties and advertising on the agents website.

Marketing was undertaken for a period of 7 days as it was considered that a sale had to be undertaken as soon as possible in order to protect the value of goodwill. No continued substantive interest had been received following the expiry of the 7 days and therefore it was not deemed beneficial to continue marketing. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted were that this was considered the best way to reach as many potentially interested parties in the shortest time frame.

The marketing led to eight parties expressing an interest and four of these parties returned the Non-Disclosure Agreement to obtain the Company memorandum of information to review. No further interest was received from these parties and the only firm offer received was from All Global Media Ltd.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because the offer received for the business is greater than the realisations than would be made had the assets been sold on a break-up basis.

Valuation of the Business and Assets

SIA were instructed on 16 May 2017 to value the business and assets of the Company on a desktop basis. They confirmed their independence, are qualified by National Association of Valuers & Auctioneers, and have adequate professional indemnity insurance.

Their valuation was received on 23 May 2017 and is detailed below:-

| | Forced Sale £ | Going Concern £ | Actual Sale Price £ |
|--|--------------------------|----------------------------|--------------------------------|
| Assets Specifically Pledged | | | |
| Owned assets to include goodwill, website and data | 20,000 | 200,000 | 55,000 |

In addition, Office Furniture and Effects are held subject to finance with Lombard with a settlement figure of £28,279.62. Given the nature of the market for assets of this kind the Agents believed there would be no equity.

The goodwill has been valued and the basis of this valuation is on a going concern basis.

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place. The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser within a restricted marketing period of 30 days. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

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

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 22 June 2017 with All Global Media Ltd.

David Edward Cyster, who was a director of the insolvent Company, is involved with the management of All Global Media Ltd.

This transaction impacts on Atomik Research Limited which has also been placed into Administration, because the Companies are part of the same group. They have shared access to certain assets and shared liabilities by way of a guarantee. The purchaser has made separate offers for each of the businesses therefore the consideration has not been allocated.

David Edward Cyster, a Company director, had given guarantees for amounts due from the insolvent Company to a prior financier, National Westminster Bank PLC, and to my knowledge that financier is not financing the new business.

The assets

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

The sale consideration

The sale consideration totalled £56,000 net of TUPE liabilities and required £7,300 to be paid on completion and the remainder to be paid on the dates listed below. The sale agreement included the following additional provisions:

- An anti-embarrassment clause which entitles the Administration to 7.3-10% of the proceeds if 50% or more of the shareholding of the purchaser is sold in the next 12 months.
- The purchaser shall pay the Company 20%, after allowing for reasonable costs, of the sum received relating to an insurance claim that is currently being pursued. The insurance claim relates to a claim being pursued in connection with the loss and/or damage to items of property and equipment arising out of flooding and water damage to the business and assets and its holding company (4Adventure Holdings Limited) caused by a burst water main which occurred on the 23rd May 2017.

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

| | |
|---|---------|
| Goodwill (fixed charge) | £54,994 |
| Work in Progress (fixed charge) | £ 1 |
| Leasehold Property (fixed charge) | £ 1 |
| Customer Contracts (fixed charge) | £ 1 |
| Business Intellectual Property (Fixed Charge) | £ 1 |
| Equipment (Floating Charge) | £ 1 |
| Seller's Records (Floating Charge) | £ 1 |
| Insurance Claim (Floating Charge) | £ 1,000 |

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and in consultation with the agents.

Any items not listed in the Sale Agreement including the debtor ledger were excluded from the Sale.

There were 23 full time employees and 3 with shared responsibilities who were transferred as part of the Sale.

Sale consideration of £7.300 was received on completion and the remainder is to be received by way of deferred consideration and is payable as follows:-

On or before 20 July 2017 £48,700

The business and assets were secured by obtaining a personal guarantee from David Edward Cyster.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

An appendix detailing the assignment of the leasehold property at 19 Hayward's Place, London EC1R 0EH was included within the Sale Agreement.

The Sale is part of a wider transaction involving Atomik Research Limited. There are two separate valuations and two separate Asset Sale Agreements.

Connected Party Transactions

Pre-pack pool

The pre-pack pool has not been approached by the connected party.

Information was provided to the purchaser with regards to making an application to the pre-pack pool. The purchaser is not proposing to make an application to the pre-pack pool due to the time constraints involved.

Viability statement

The Joint Administrators requested a viability statement from the connected party. A formal viability statement has not been provided due to the time constraints involved, however it was confirmed verbally by the connected party that new finance functions would be implemented to ensure the accounts are kept accurate and up to date and that regular management accounts would be prepared and circulated for review. This will ensure the current financial position is managed correctly.

4MEDIA LTD (IN ADMINISTRATION)

ESTIMATED FINANCIAL STATEMENT AS AT 22 JUNE 2017 AND CREDITORS' DETAILS

Insolvency Act 1986

4Media Ltd
Estimated Financial Statement as at 22 June 2017

| | Book Value £ | Estimated to Realise £ | £ |
|---|-----------------|---------------------------|-------------|
| ASSETS | | | |
| Leasehold Land & Property | NIL | 1.00 | |
| Work in Progress | NIL | 1.00 | |
| Goodwill | | 54,994.00 | |
| Business Intellectual Property | NIL | 1.00 | |
| Work in Progress | NIL | 1.00 | |
| Factored Book Debts | 81,000.00 | NIL | |
| National Westminster Bank PLC | | (81,000.00) | |
| Deficiency c/d | | (26,002.00) | |
| | | | |
| RBS Creditcard | | (10,000.00) | |
| Deficiency c/d | | (10,000.00) | |
| | | | |
| Office Furniture and Effects | 28,280.00 | 28,280.00 | |
| Lombard Finance | | (28,280.00) | |
| | | NIL | NIL |
| Equipment | NIL | | 1.00 |
| Seller's Records | NIL | | 1.00 |
| Book Debts | 52.00 | | NIL |
| Insurance Claim | Uncertain | | 1,000.00 |
| Cash at Bank | NIL | | NIL |
| | | | 1,002.00 |
| LIABILITIES | | | |
| PREFERENTIAL CREDITORS:- | | | |
| | | | NIL |
| | | | 1,002.00 |
| DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003 | | | |
| OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS | | | |
| | | | NIL |
| | | | 1,002.00 |
| Estimated prescribed part of net property where applicable (to carry forward) | | | NIL |
| | | | 1,002.00 |
| DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003 | | | |
| Deficiency b/d | | 36,002.00 | |
| | | | 36,002.00 |
| | | | (35,000.00) |
| | | | |
| Estimated prescribed part of net property where applicable (brought down) | | | NIL |
| | | | NIL |

Insolvency Act 1986

4Media Ltd
Estimated Financial Statement as at 22 June 2017

| | Book Value £ | Estimated to Realise £ |
|--|-----------------|---------------------------|
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | | |
| Trade & Expense Creditors | 97,569.00 | |
| HM Revenue & Customs | 805,874.00 | |
| | | 903,443.00 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003) | | (903,443.00) |
| Shortfall in respect of F.C's post 14 September 2003 (brought down) | | 35,000.00 (938,443.00) |
| Issued and called up capital Ordinary Shareholders | | 1,000.00 |
| | | 1,000.00 |
| TOTAL SURPLUS/(DEFICIENCY) | | (939,443.00) |

Quantuma LLP
4Media Ltd
B - Company Creditors

| Key | Name | Address | £ |
|-----------------------------|---------------------------------------|---|---------------------|
| CA00 | American Express | Global Servicing Network, Upper Ground Floor, 1 John Street, Brighton, East Sussex, BN8 1NH | 23,189.30 |
| CB00 | Beeline Services | 51-57 Willow Way, London, SE26 4QP | 190.54 |
| CB02 | BW Legal | The Tannery, 91 Kirkstall Road, Leeds, West Yorkshire, LS3 1HS | 172.40 |
| CC04 | Creditsafe Business Solutions Limited | Bryn House, Caerphilly Business Park, Van Road, Mid Glamorgan, CF83 3GG | 900.00 |
| CD02 | Doherty Associates | Doherty Associates, 3 Water Lane, Richmond, Surrey, TW9 1TJ | 2,807.58 |
| CE00 | Eurooffice Ltd | Dome House, 48 Artillery Lane, London, E1 7LS | 950.44 |
| CF01 | Fresh Connect Recruitment | 86-87 Rayham Street, Camden Town, London, NW1 OAG | 5,664.00 |
| CH00 | HM Revenue & Customs - PAYE | Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 294,446.71 |
| CH01 | HM Revenue & Customs - VAT | Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 161,938.75 |
| CH02 | HM Revenue & Customs - CT | Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 31,858.44 |
| CH03 | HM Revenue & Customs - EFRBS | Counter Avoidance, S0987, Newcastle, NE98 1ZZ | 317,630.56 |
| CH05 | H W Fisher | Acre House, 11-15 William Road, London, NW1 3ER | 5,584.08 |
| CI01 | Islington Council | 222 Upper Street, London, N1 1XR | 1,294.00 |
| CL00 | Lombard | PO Box 20, Rotherham, S63 3BR | 28,279.62 |
| CM01 | Mash Staffing Ltd | Security Given: Asset Finance; Date Given: TBC; Amount: 28,279.62 | |
| CN02 | National Westminster Bank PLC | Unit 2 Artbrand Studios, 7 Leathermarket Street, London, SE1 3HN | 1,311.60 |
| | | 2nd Floor, 180 Brompton Road, Knightsbridge, London, SW3 1HL | 31,000.00 |
| CR02 | RockIT | Security Given: Fixed and Floating Charge; Date Given: 02/07/2014; Amount: TBC | |
| | | RockIT, 27-28 Old Field Road, Bocam Park, Pencoed, Bridgend, Mid Glamorgan CF35 5LJ | 45,611.06 |
| CR04 | RBS Creditcard | c/o 2nd Floor, 180 Brompton Road, Knightsbridge, London, SW3 1HL | 10,000.00 |
| CS00 | Shoosmiths | Security Given: Natwest: Fixed and Floating Charge; Date Given: 02/07/2014; Amount: TBC | |
| CS02 | Spitfire | Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1SH | 8,038.22 |
| | | The Printworks, 139 Clapham Road, London, SW9 0HP | 1,855.52 |
| 20 Entries Totalling | | | 1,022,722.82 |

Quantuma LLP
4Media Ltd
B1 - Company Creditors - Employees & Directors

| Key | Name | Address | Pref £ | Unsec £ | Total £ |
|---------------------|------|---------|--------|---------|---------|
| 0 Entries Totalling | | | 0.00 | 0.00 | 0.00 |

Quantuma LLP
4Media Ltd

B2 - Company Creditors - Consumer Creditors

| Key | Name | Address | £ |
|-----|-------------------|---------|------|
| 0 | Entries Totalling | | 0.00 |

Quantuma LLP
4Media Ltd
C - Shareholders

| Key | Name | Address | Type | Nominal Value | No. Of Called Up Shares | Paid Up |
|------------------------------|------------------------------|--|----------|---------------|-------------------------|----------|
| HA00 | 4 Adventure Holdings Limited | 19 Hayward's Place, London, UK, EC1R 0EH | Ordinary | 800.00 | 800 | 800.00 |
| HC00 | Mr David Edward Cyster | 19 Hayward's Place, London, EC1R 0EH | Ordinary | 150.00 | 150 | 150.00 |
| HC01 | Mr David Ivor Colgreave | 19 Hayward's Place, London, EC1R 0EH | Ordinary | 50.00 | 50 | 50.00 |
| 3 Ordinary Entries Totalling | | | | 1,000.00 | 1,000 | 1,000.00 |

4MEDIA LTD**Schedule of Secured Creditors and Special Creditor Groups****Secured Creditors**

| Secured creditor's name and address | Amount of claim (estimated) | Details of security | Date security was given | Value of security (per Statement of Affairs) |
|--|------------------------------------|-------------------------------------|--------------------------------|---|
| Lombard Finance | £28,280 | Leased office furniture and effects | | £28,280 |
| National Westminster Bank PLC | £81,000 | Fixed and Floating Charge | 02/07/2014 | £81,000 |
| RBS Creditcard | £10,000 | As above | 02/07/2014 | £10,000 |

Special Creditor Groups

| Creditor Group | Number of creditors in group | Total amount of claims (estimated) |
|---|-------------------------------------|---|
| Employees and former employees | None | TUPE |
| Consumers claiming amounts paid in advance for the supply of goods and services | None | n/a |

4Media Ltd (In Administration)

ESTIMATED OUTCOME STATEMENT AS AT 22 JUNE 2017

4Media Limited (in Administration)

Estimated Outcome Statement as at 22 June 2017

| | Notes | Book Value £ | ADM £ | £ |
|---|-------|-----------------|----------|---------------|
| <i>Assets specifically pledged</i> | | | | |
| Office furniture and effects | 1 | 59,802 | 28,280 | |
| Less : Lombard Finance | | | (28,280) | |
| | | | | Nil |
| Discounted book debts | 2 | (81,000) | Nil | |
| Less: National Westminster Bank PLC | | | (81,000) | |
| Less: RBS Creditcard | | | (10,000) | |
| Deficiency to Chargeholder | | | | (91,000) |
| Goodwill | 3 | Nil | 54,994 | |
| Work in Progress | 3 | | 1 | |
| Leasehold property | 3 | | 1 | |
| Customer Contracts | 3 | | 1 | |
| Business Intellectual Property | 3 | | 1 | |
| | | | | 54,998 |
| Less: Costs of Insolvency | | | | |
| Agent's Fees | | | (4,000) | |
| Legal Fees | | | (8,000) | |
| Office Holder's Fees:- | | | | |
| Pre | | | (15,000) | |
| Post | | | (8,598) | |
| Office Holder's Expenses | | | (1,000) | |
| Less: Capital Gains Tax @ 20% | 4 | | (3,680) | |
| | | | | (40,278) |
| Available to Fixed Chargeholders | | | | 14,720 |
| Less: Deficiency to Chargeholders | | | | (91,000) |
| | | | | (76,280) |
| FUNDS PAID TO CHARGEHOLDERS UNDER FIXED CHARGE | | | | 14,720 |
| <i>Assets not specifically pledged</i> | | | | |
| Equipment | 3 | | 1 | |
| Seller's Records | 3 | | 1 | |
| Insurance Claim | 3 | Uncertain | 1,000 | |
| Cash at Bank | | | Nil | |
| Book debts | 5 | 52 | Nil | |
| | | | | 1,002 |
| Less: Costs of Administration | | | | |
| Office Holder's Fees:- | | | | |
| Post Appointment | | | (1,002) | |
| | | | | (1,002) |

| | | | |
|--|---|-----------|------------|
| Funds available for preferential creditors | | | Nil |
| Preferential Creditors | 6 | (35,764) | Nil |
| Funds available for floating chargeholders | | | Nil |
| Less: Prescribed Part | 7 | | n/a |
| Less: Deficiency to Chargeholders | | | (76,280) |
| Assets available for unsecured creditors | | | Nil |
| Unsecured Creditors | | | |
| HM Revenue and Customs | | (805,874) | (805,874) |
| Trade and Expense | | (97,569) | (97,569) |
| Employees | | (100,725) | Nil |
| Deficiency to Chargeholders | | | (76,280) |
| Deficiency to Lombard Finance | 8 | | Nil |
| | | | (979,723) |
| Deficiency to creditors | | | (979,723) |
| FUNDS PAID TO CHARGEHOLDERS UNDER FLOATING CHARGE | | | Nil |

Notes to Estimated Outcome Statement:

1. The office furniture and effects are subject to finance with Lombard. It is anticipated that the purchaser will adopt the agreement resulting in a shortfall of nil.
2. There are a number of book debts which have been invoiced by the Company and are subject to finance from National Westminster Bank PLC through its Cashflow+ facility which have been credit noted in full. The bank has advanced £81,000 in relation to these debts. The Bank also have a claim in the sum of £10,000 in relation to an RBS Credit card. It is anticipated that RBS will claim under the fixed and floating charge. The Chargeholders have an aggregate claim in the sum of £91,000.
3. The Joint Administrators sold the business and assets to All Global Media Limited for £56,000 on 22 June 2017. These assets include Goodwill, Work in Progress, Leasehold Property, Customer Contracts, Business Intellectual Property, Equipment, Seller's Records and Insurance Claim. The estimated to realise figures on the statement are drawn from the sale agreement. These assets have been independently valued by SIA Group. These assets are subject to a fixed and floating charge granted to National Westminster Bank PLC on 2 July 2014, as appropriate.
4. Based on the costs of Administration, we anticipate a corporation tax liability of £3,680 to arise in relation to the sale of business.
5. There is a debtor ledger in the sum of £52 and it is considered that the debt is uneconomic to recover.
6. The employees have transfer under TUPE regulations to All Global Media Limited and they will not have preferential or unsecured claims in this matter.
7. The Company's net property is less than the prescribed minimum (currently £10,000) and the cost of distributing the prescribed part would be disproportionate. Therefore the prescribed part provisions will not apply.
8. We are aware that the Company is a Guarantor on an Aviation Loan Agreement made between Lombard Finance and 4Adventure Holdings Limited dated 5 December 2016. The details of the Agreement and potential contingent liability are not reflected in this Estimated Outcome.

4Media Ltd (In Administration)

BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR QUANTUMA LLP

6001897 - 4Media Ltd
From: 27/04/2017 To: 22/06/2017
Project Code: PRE

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| 100 Administration & Planning | 42.50 | 0.00 | 1.10 | 3.00 | 43.60 | 15,062.50 | 345.47 |
| 101 Insurance & Bonding | 0.80 | 0.00 | 0.00 | 0.00 | 0.80 | 210.00 | 262.50 |
| 103 IPS Case & Financial Filing | 3.50 | 0.00 | 4.30 | 2.80 | 10.60 | 578.50 | 54.57 |
| 104 General Administration | 5.30 | 3.50 | 4.10 | 0.20 | 13.10 | 3,416.50 | 260.80 |
| 105 Case Strategy & Review | 11.50 | 5.25 | 2.50 | 3.00 | 19.25 | 5,505.00 | 285.50 |
| 109 Case Review | 1.10 | 3.50 | 0.30 | 3.30 | 8.20 | 3,300.00 | 402.50 |
| Admin & Planning | 61.00 | 8.75 | 9.30 | 3.00 | 82.05 | 25,052.50 | 305.33 |
| 201 Creditors | 0.00 | 0.30 | 3.70 | 0.00 | 4.00 | 122.50 | 30.62 |
| 202A Employees | 1.80 | 0.30 | 0.50 | 0.00 | 2.60 | 580.00 | 223.07 |
| 211 Creditor Correspondence Call | 0.00 | 0.00 | 1.70 | 0.00 | 1.70 | 287.50 | 169.11 |
| 214 Unsecured Creditors claims | 0.00 | 0.00 | 0.50 | 0.00 | 0.50 | 440.00 | 880.00 |
| Creditors | 1.80 | 0.60 | 3.20 | 0.00 | 4.80 | 1,120.00 | 233.33 |
| 67C Completing in-house report checks | 0.00 | 0.40 | 0.10 | 0.00 | 0.50 | 87.50 | 175.00 |
| 67E Preparing statutory meeting documents | 0.00 | 0.00 | 7.20 | 0.00 | 7.20 | 1,260.00 | 175.00 |
| 67F Preparing for statutory meetings | 0.00 | 0.00 | 7.90 | 0.00 | 7.90 | 1,362.50 | 173.00 |
| Pre Appointment | 0.00 | 0.40 | 15.20 | 0.00 | 15.60 | 2,740.00 | 175.64 |
| 43C Realisation of Assets | 0.90 | 1.75 | 0.20 | 0.00 | 2.85 | 752.50 | 264.03 |
| 431 Financial & Unsecured Priority | 0.00 | 0.75 | 3.70 | 0.00 | 4.45 | 310.00 | 69.66 |
| 43C Sale of Business | 22.30 | 6.50 | 20.50 | 0.00 | 49.30 | 2,362.50 | 252.30 |
| Realisation of Assets | 22.90 | 9.00 | 21.20 | 0.00 | 53.10 | 13,425.00 | 252.82 |
| Total Hours | 85.50 | 18.15 | 48.90 | 3.00 | 155.55 | 42,337.50 | 272.18 |
| Total Fees Claimed | | | | | | | 3,000.00 |

4Media Ltd (In Administration)

CHARGE-OUT RATES AND BASES OF DISBURSEMENTS ("QUANTUMA LLP'S SUMMARY")



Schedule of Current Charge Out Rates and Chargeable Disbursements

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active Partner involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma LLP, exclusive of VAT.

| Grade of Staff | Rate from 1 June 2016 |
|-----------------------------------|-----------------------|
| Partner | £295.00 - £495.00 |
| Director | £250.00 - £450.00 |
| Senior Manager | £225.00 - £375.00 |
| Manager | £200.00 - £250.00 |
| Assistant Manager | £185.00 - £265.00 |
| Senior Administrator | £175.00 - £215.00 |
| Administrator | £150.00 - £175.00 |
| Assistant Administrator | £100.00 |
| Case Accountant | £125.00 |
| Junior Administrator | £75.00 - £100.00 |
| Support Staff/Executive Assistant | £95.00 - £125.00 |

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. There has been no allocation of any general or overhead costs.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

- Administration & Planning
- Creditors
- Investigations
- Realisation of Assets
- Trading
- Cashiering
- Closing Procedures

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

Details of historic charge out rates are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates in force prior to those shown, these can be provided upon request.

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.



Direct Expenses (Category 1 Disbursements)

Category 1 disbursements, as defined by SIP 9, are expenses which are directly referable both to the appointment in question and a payment to an independent third party at cost and without uplift.

These expenses, which do not require the prior approval of creditors, include but are not limited to the following examples:

| Category 1 Disbursement | Basis of Charge |
|--|---|
| Indemnity Bond | At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment |
| Insurance of assets | At cost in relation to asset coverage requirements |
| Travel | All forms other than mileage at actual cost |
| Room Hire | All external venues at actual cost |
| Storage Retrieval | At cost incurred |
| Postage | At cost incurred |
| Virtual Meeting Platform (from 6/4/17) | At cost incurred |

Indirect Expenses (Category 2 Disbursements)

These are expenses that are directly referable to the appointment in question but which are not to an independent third party and may include shared or allocated costs that can be apportioned to the appointment on a proper and reasonable basis.

They may also include payment to an individual with whom a practice or individual within a practice has a business or personal relationship. Included within the list below is the cost per hour of Mr Mick Brunning, who is the husband of an individual within the practice. It is considered that the services of Mr Brunning represent best value.

Other payments made to individuals of businesses with whom the practice or individual within the practice has a business or personal relationship will be disclosed to creditors and an appropriate resolution for approval will be proposed.

Specific approval for Category 2 Disbursements is required from creditors before they can be paid.

The following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) are charged to cases where appropriate on the following basis:

| Category 2 Disbursement | Cost £ |
|---|--------|
| Photocopying, scanning and faxes (per side) | 0.10 |
| Company Search | 10.00 |
| Stationery (per Report/Letter per member/creditor) | 0.50 |
| Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile) | 0.45 |
| Internal Meeting Room Hire (outside London) | 65.00 |



| Category 2 Disbursement | Cost £ |
|---|--------|
| Internal Meeting Room Hire (in London) | 95.00 |
| Mick Brunning – collection and listing of books and records (per hour) | 10.00 |
| Box Storage (per box for life of case) | 50.00 |
| Electronic Anti-Money Laundering Identification Search (per case) (from 1/9/16) | 12.00 |

Category 2 disbursements may be subject to periodic increase and this schedule will be updated accordingly. The schedule is available for creditors to review at <http://www.quantuma.com/guide-creditors-guide-fees/>. Details of historic disbursement charges can be found at the end of this schedule.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. The fee arrangement for each will be disclosed in reports to creditors and these will be reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and disbursements invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees/>. Alternatively hard copies of these documents may be requested free of charge from Quantuma LLP's registered office.



Historic Charge Out Rates

| | Rates from 1 April 2016 | Rates from 15 July 2015 | Rates from 1 April 2015 |
|--|----------------------------|----------------------------|----------------------------|
| Partner | £295.00 - £475.00 | £295.00 - £475.00 | £295.00 - £475.00 |
| Director | £250.00 - £325.00 | £250.00 - £325.00 | £250.00 - £325.00 |
| Senior Manager | £225.00 - £350.00 | £225.00 - £350.00 | £225.00 - £275.00 |
| Manager | £200.00 - £250.00 | £200.00 - £250.00 | £200.00 - £250.00 |
| Assistant Manager | £185.00 - £265.00 | £185.00 | £185.00 |
| Senior Administrator | £175.00 - £215.00 | £175.00 - £215.00 | £175.00 - £215.00 |
| Administrator | £150.00 - £175.00 | £150.00 - £175.00 | £150.00 - £175.00 |
| Assistant Administrator | £100.00 | £100.00 | £100.00 |
| Case Accountant | £125.00 | £125.00 | £125.00 |
| Junior Administrator | £75.00 - £100.00 | £75.00 - £100.00 | £75.00 - £100.00 |
| Support Staff/Executive Assistant | £95.00 - £100.00 | £95.00 - £100.00 | £95.00 - £100.00 |

| | Rates from 1 February 2015 | Rates from 5 January 2015 | Rates from 1 November 2014 |
|--|-------------------------------|------------------------------|-------------------------------|
| Partner | £295.00 - £445.00 | £295.00 - £425.00 | £295.00 - £425.00 |
| Director | £250.00 - £325.00 | £250.00 - £325.00 | £250.00 - £325.00 |
| Senior Manager | £225.00 - £275.00 | £225.00 - £275.00 | £225.00 - £275.00 |
| Manager | £200.00 - £250.00 | £200.00 - £250.00 | £200.00 |
| Assistant Manager | £185.00 | £185.00 | £185.00 |
| Senior Administrator | £175.00 | £175.00 | £175.00 |
| Administrator | £150.00 - £175.00 | £150.00 - £175.00 | £150.00 - £175.00 |
| Assistant Administrator | £100.00 | £100.00 | £100.00 |
| Case Accountant | £125.00 | £125.00 | £125.00 |
| Junior Administrator | £75.00 - £100.00 | £75.00 - £100.00 | £75.00 - £100.00 |
| Support Staff/Executive Assistant | £95.00 - £100.00 | £95.00 - £100.00 | £95.00 - £100.00 |



Historic Disbursement Charging Rates

With effect from 6 April 2017, the following charges will no longer be applied to existing or new cases.

| Category 1 Disbursement | Basis of Charge |
|-------------------------|--|
| Stationery | At cost incurred |
| Postage | At cost incurred (other than for reports to creditors scheduled below *) |

| Category 2 Disbursement | Cost £ |
|---|--------|
| File Set Up (per file) | 7.00 |
| Postage per Report to Creditors and Members (per report) | 0.50 |
| Reports to Members and Creditors (published on line – per report per member/creditor) | 0.25 |

*to ensure consistent charging of postage across our cases, all postage will be charged at the cost incurred and therefore reports will not be subject to the Category 2 charge shown above.

4Media Ltd (In Administration)

**BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 22/06/2017 TO
12/07/2017**

BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 22/06/2017 TO 12/07/2017 – APPENDIX IV

6001897 - 4Media Ltd
From: 22/06/2017 To: 12/07/2017
Project Code: POST

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|--|--------------|-------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| 100 Administration & Planning | 4.70 | 0.00 | 0.00 | 0.00 | 4.70 | 1,645.30 | 350.00 |
| 101 Initial Statutory & General Notifications & Filing | 0.30 | 0.20 | 2.10 | 0.00 | 2.35 | 430.00 | 182.98 |
| 102 Incorporation / Bidding | 0.00 | 0.00 | 0.10 | 0.00 | 0.10 | 17.50 | 175.00 |
| 103 IPFS Case - Filing & Filing | 0.00 | 0.00 | 3.30 | 0.00 | 3.30 | 577.50 | 175.00 |
| 104 General Administration | 4.00 | 0.00 | 6.25 | 0.00 | 9.25 | 1,717.50 | 208.16 |
| 105 Case Strategy Review | 2.00 | 1.25 | 4.45 | 0.00 | 7.65 | 907.50 | 118.10 |
| 106 Tax / VAT | 0.40 | 1.00 | 0.00 | 0.00 | 1.40 | 140.00 | 100.00 |
| Admin & Planning | 8.50 | 1.15 | 13.10 | 0.00 | 22.75 | 5,485.00 | 241.10 |
| 201 Creditors | 0.00 | 0.00 | 0.60 | 0.00 | 0.60 | 105.00 | 175.00 |
| 202 Creditor correspondence / Calls | 0.00 | 0.00 | 0.10 | 0.00 | 0.10 | 17.50 | 175.00 |
| 204 Dealing with Pension Schemes | 0.00 | 0.00 | 0.20 | 0.00 | 0.20 | 35.00 | 175.00 |
| 210 Secured creditor reports / claims | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 | 192.50 | 175.00 |
| 214 SIP - 6 Disclosure | 0.00 | 3.50 | 3.50 | 0.00 | 7.00 | 1,487.50 | 212.50 |
| 215 Extra 49 Administrative Proposals | 0.00 | 1.50 | 8.50 | 0.00 | 10.00 | 1,892.50 | 189.25 |
| Creditors | 0.00 | 5.00 | 14.00 | 0.00 | 19.00 | 3,700.00 | 194.74 |
| 301 CIO/CA Reports | 0.00 | 0.00 | 1.90 | 0.00 | 1.90 | 332.50 | 175.00 |
| Investigations | 0.00 | 0.00 | 1.90 | 0.00 | 1.90 | 332.50 | 175.00 |
| 400 Realisation of Assets | 5.10 | 0.00 | 0.00 | 0.00 | 5.10 | 785.00 | 153.92 |
| 401 Freehold / Leasehold Property | 0.30 | 0.00 | 0.40 | 0.00 | 0.70 | 122.50 | 175.00 |
| 404 Realised assets | 0.00 | 0.00 | 0.10 | 0.00 | 0.10 | 17.50 | 175.00 |
| 405 Debtors | 0.00 | 0.00 | 0.20 | 0.00 | 0.20 | 35.00 | 175.00 |
| 406 Sale of Business | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 407 Goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 5.80 | 0.00 | 1.90 | 0.00 | 7.70 | 2,362.50 | 306.82 |
| Total Hours | 14.30 | 6.15 | 30.90 | 0.00 | 51.35 | 11,880.00 | 231.35 |
| Total Fees Claimed | | | | | | | 0.00 |

4Media Ltd (In Administration)**INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL****a) The Joint Administrators' Fees Estimate (overleaf)**

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IV.

b) The Joint Administrators' Expenses Estimate

Below is the expenses estimate in respect of category 1 direct expenses and category 2 expenses, which will have an element of shared or allocated costs.

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

| Expenses Category 1 | Basis | Estimate of total |
|--|--------------|--------------------------|
| Advertising | | £77.00 |
| Bonding | | £135.00 |
| Document storage | | £100.00 |
| Marketing | | £87.50 |
| Cost of case management software and website document access | | £15.00 |
| Insurance | | £100.00 |
| Postage | | £33.00 |
| Total | | £547.50 |

| Expenses Category 2 | Basis | Estimate of total |
|---|-----------------------|--------------------------|
| Stationery | 50p per report | £30.00 |
| Photocopying | 10p per sheet | £96.00 |
| Anti Money Laundering Identification Search | One off cost per case | £12.00 |
| Mileage (own car usage) | 45p per mile | Nil |
| Total | | £138.00 |

Please note that this estimate has been provided on the assumptions given in Section 6. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted estimate.

4Media Ltd (in Administration)

FEE ESTIMATE COVERING THE PERIOD OF THE ADMINISTRATION

The office holders are seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work or the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

The sum of all the estimates for the different categories of work is the total estimated time costs to undertake the necessary work on the case during the period of the Administration. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for this period of the case's administration.

Note: This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

The hourly charge out rates that will be used on the case are:

| | £ |
|-----------------------------------|-----|
| Partner | 350 |
| Director | 325 |
| Senior Manager | 250 |
| Manager | 250 |
| Assistant Manager | 250 |
| Senior Administrator | 175 |
| Administrator | 175 |
| Assistant Administrator | 100 |
| Case Accountant | 125 |
| Junior Administrator | 100 |
| Support Staff/Executive Assistant | 100 |

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

ADMINISTRATION & PLANNING - Note 1**Description of the Work to be undertaken**

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
| Administration & Planning | 5.00 | | |
| Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment | 3.00 | | |
| Obtaining a specific penalty bond | 0.40 | | |
| Recovering & Scheduling the company's books and records. | 3.00 | | |
| Setting up electronic case files and electronic case details on IPS. | 4.00 | | |
| General Administration - Dealing with all routine correspondence and emails relating to the case. | 4.50 | | |

| | | | |
|--|------|--|--|
| Case strategy & completing file reviews at 1 month, 3 months & 6 months. | 3.00 | | |
| VAT & Corporation Tax matters and returns. | 1.00 | | |

TOTAL

23.90 5,048.88 211.25

CREDITORS - Note 2

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | | | |
|---|-------|--|--|
| Creditors | 1.00 | | |
| Preparing the documentation and dealing with initial appointment notification to creditors | 2.00 | | |
| Dealing with creditor correspondence, emails and telephone conversations. | 3.00 | | |
| Dealing with Pension Schemes | 0.20 | | |
| Final Reports | 3.00 | | |
| Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice. | 0.50 | | |
| Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate | 0.50 | | |
| Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims | 0.50 | | |
| Dealing with HMRC/RPO claims | 1.00 | | |
| Secured Creditor Reports/Claims | 1.50 | | |
| Annual/Progress Reports | 3.00 | | |
| Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors | 1.50 | | |
| Interim Fee Report to Creditors | 0.50 | | |
| SIP 16 Disclosure | 8.00 | | |
| Para 49 Administrators' Proposals | 12.00 | | |
| Para 53 Report of Initial Meeting/Deemed Approval Documentation | | | |

TOTAL

38.20 8,069.75 211.25

INVESTIGATIONS - Note 3

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | | | |
|--|------|--|--|
| Investigations | | | |
| SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc. | 4.50 | | |
| CBDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act. | 2.50 | | |
| Investigating & Pursuing Antecedent Transactions | 4.40 | | |

TOTAL

11.40 2,408.25 211.25

REALISATION OF ASSETS - Note 4

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | |
|----------------------------------|------|
| Realisation of Assets | 3.50 |
| Leasehold Property | 0.50 |
| Financed Assets | 0.50 |
| Debtors | 1.50 |
| Sale of Business | 1.00 |
| Goodwill | 1.00 |
| Sale of Shares | 0.50 |
| Cash at Bank | 0.50 |
| Arranging & Monitoring Insurance | 0.50 |

| | | | |
|--------------|-------------|-----------------|---------------|
| TOTAL | 9.50 | 2,006.88 | 211.25 |
|--------------|-------------|-----------------|---------------|

CASHIERING

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | |
|--|------|
| Opening, maintaining and managing the Office Holders' cashbook and bank account. | 1.00 |
| Dealing with cheque requisitions | 2.00 |
| Dealing with deposit forms | 2.00 |
| Bank Reconciliations | 3.00 |
| Preparing & Filing statutory Receipts & Payments accounts | 1.00 |

| | | | |
|--------------|-------------|-----------------|---------------|
| TOTAL | 9.00 | 1,800.00 | 200.00 |
|--------------|-------------|-----------------|---------------|

CLOSING PROCEDURES

| Description of the Work to be undertaken | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | |
|---|------|
| Advertising the final meeting | 0.50 |
| Holding the final meetings & preparing minutes | 0.50 |
| Filing final statutory returns at Companies House/Court | 2.50 |

| | | | |
|--------------|-------------|---------------|---------------|
| TOTAL | 3.50 | 700.00 | 200.00 |
|--------------|-------------|---------------|---------------|

OVERALL SUMMARY OF WORK CATEGORIES

| | Estimated total time to be taken to undertake the work (Hrs) | Estimated total value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
|--|--|---|--|

| | | | |
|-----------------------------|-------|----------|--------|
| ADMINISTRATION AND PLANNING | 23.90 | 5,048.88 | 211.25 |
| CREDITORS | 38.20 | 8,069.75 | 211.25 |
| INVESTIGATIONS | 11.40 | 2,408.25 | 211.25 |
| ASSET REALISATIONS | 9.50 | 2,006.88 | 211.25 |
| CASHIERING | 9.00 | 1,800.00 | 200.00 |

CLOSING PROCEDURES

| | | |
|--------------|------------------|---------------|
| 3.50 | 700.00 | 200.00 |
| 95.50 | 20,033.75 | 209.78 |

OVERALL TOTAL

Note 1: Administration and planning - This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Note 2: Creditors: Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Note 3: Investigations - The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg where assets have been disposed of prior to the commencement of the insolvency procedure. The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holders are also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors. The work to enable them to comply with these statutory obligations may also identify potential recovery actions.

Note 4: Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Note 5: Cashiering - The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPS. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

Note 6: Closing Procedures - The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

4Media Ltd (in Administration)**Estimate of expenses to be incurred**

| | | Estimated amount of expense to be incurred £ |
|---|----------------------------------|--|
| Category of work | Nature of expense to be incurred | |
| Administration & Planning | | |
| | Specific penalty bond | 135.00 |
| | Gazette notice of appointment | 77.00 |
| | Storage of books and records | 100.00 |
| Sub total for administration | | 312.00 |
| Creditors | | |
| | Copying * | 96.00 |
| | Postage | 33.00 |
| | Stationery * | 30.00 |
| | Website charge | 15.00 |
| Sub total for reporting to creditors | | 174.00 |
| Investigations | | |
| | Solicitors' advice costs | - |
| Sub total for investigations | | - |
| Realisation of assets | | |
| | Insurance | 100.00 |
| | Valuation agents fees | - |
| | Agents' realisation fees | - |
| | Agents' realisation expenses | - |
| | Solicitors' fees | - |
| Sub total for realisation of assets | | 100.00 |
| Total: | | 586.00 |

Note: Category 2 Disbursements are marked with an asterisk *

Note: This estimate has been provided to creditors at an early stage of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and so does not take into account any unknown complexities or difficulties. If this estimate is exceeded, or is likely to be exceeded, the office holders will provide an explanation to the creditors in the first report to creditors and provide a revised estimate.

4Media Ltd (In Administration)

NOTICE OF DECISION PROCEDURE, VOTING FORM AND PROOF OF DEBT

NOTICE OF DECISION PROCEDURE

Company Name: 4Media Ltd (In Administration) ("the Company")

Company Number: 06615561

In the High Court of Justice, Chancery Division, Birmingham District Registry no. 8152 of 2017

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrators of the Company, Frank Wessely, of 81 Station Road, Marlow Bucks, SL7 1NS and Simon Campbell, of Office D, Beresford House, Town Quay, Southampton, SO14 2AQ, (telephone number 023 8033 6464), who were appointed by the directors of the Company.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The basis of the Joint Administrators' fees
2. The approval of the Joint Administrators' Category 2 disbursements
3. The approval of the pre-Administration costs

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Quantuma LLP, Office D, Beresford House, Town Quay, Southampton SO14 2AQ

By email to: southamptonvoting@quantuma.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 2 August 2017.

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:

- 10% in value of the creditors
- 10% in number of the creditors
- 10 creditors

A creditor may appeal a decision by application to the Court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed: 

Simon Campbell
Joint Administrator

Dated: 12 July 2017

VOTE BY CORRESPONDENCE

4Media Ltd (in Administration)

Name of Creditor: _____

Address: _____

Decisions:

| | | | |
|---|---|-----------------|---|
| 1 | That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. The time costs drawn will not exceed £20,033 without additional approval from creditors. | *For Against | / |
| 2 | That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's summary. | *For Against | / |
| 3 | That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved. | *For Against | / |

*** Please delete as applicable to indicate your voting instructions**

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? Yes / No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 2 August 2017, by:

Post: Quantuma LLP, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

Email: please scan in a signed copy of this form and attach it as a pdf to southamptonvoting@quantuma.com

PROOF OF DEBT - GENERAL FORM

4Media Ltd (in Administration)

Date of Administration: 22 June 2017

| DETAILS OF CLAIM | | |
|---|--|---|
| 1 | Name of Creditor (if a company, its registered name) | |
| 2 | Address of Creditor (i.e. principal place of business) | |
| 3 | If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act | |
| 4. | Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25 | £ |
| 5 | If the total amount above includes outstanding uncapitalised interest, please state | YES (£) / NO |
| 6. | Particulars of how and when debt incurred | |
| 7. | Particulars of any security held, the value of the security, and the date it was given | |
| 8. | Details of any reservation of title in relation to goods to which the debt relates | |
| 9. | Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.] | |
| 10. | Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 | Category Amount(s) claimed as preferential £ |
| AUTHENTICATION | | |
| Signature of Creditor or person authorised to act on his behalf | | |
| Name in BLOCK LETTERS | | |
| Date | | |
| If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor | | |
| Are you the sole member of the Creditor? | | YES / NO |

4Media Ltd (In Administration)

NOTICE SEEKING DEEMED CONSENT AND NOTICE OF OBJECTIONS

NOTICE SEEKING DEEMED CONSENT

Company Name: 4Media Ltd (In Administration) ("the Company")

Company Number: 06615561

In the High Court of Justice, Chancery Division, Birmingham District Registry no. 8152 of 2017

This Notice is given under Rule 15.7 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrators of the Company, Frank Wessely, of Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS and Simon Campbell, of Quantuma LLP, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ (telephone number 023 8033 6464), who was appointed by the directors of the Company.

The Joint Administrator proposes that the following decisions be made:

1. That the Joint Administrators' Proposals be approved
2. That a Creditors' Committee will not be established¹
3. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time

In respect of each of the decisions proposed above, if less than 10% in value of creditors (who would be entitled to vote if a vote were taken) ("the Threshold") object to it accordance with the procedure set out below, the creditors are to be treated as having made the proposed decision. Otherwise, the creditors are to be treated as not having made such decision and if a decision about that matter is again sought from the creditors, it must be sought using a qualifying decision procedure as defined by the Insolvency Act 1986.

In order to object to one or more of the proposed decisions, you must deliver a notice stating that you so object (and specifying to which one or more of the proposed decisions your objection relates) to the Joint Administrator not later than the time set out below. In addition, you must have also delivered a proof of debt (unless one has already been submitted) by the time set out below, failing which your objection will be disregarded.

It is the Joint Administrators' responsibility to aggregate any objections to see if the Threshold is met for the decision to be taken as not having been made.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by a decision procedure.

All objections and proofs of debt must be submitted in writing to the Joint Administrator by one of the methods set out below:

By post to: Quantuma LLP, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

By email to: southamptonvoting@quantuma.com

Please note that, if you are sending documents by post, you must ensure that you have allowed sufficient time for them to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All objections and proofs of debt must be delivered by the Decision Date: 23.59 on 2 August 2017

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions.

Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to object. A creditor who has opted out from receiving notices may nevertheless object if the creditor also provides a proof by the Decision Date.

In addition, creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider any matter.

| | |
|--|--------------------------------|
| Statutory thresholds to request a meeting: | 10% in value of the creditors |
| | 10% in number of the creditors |
| | 10 creditors |

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed: _____



Simon Campbell
Joint Administrator

Dated: 12 July 2017

NOTICE OF OBJECTIONS
4Media Ltd (In Administration)

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I object to the following proposed decision(s):

| Proposed Decision | Objected to? |
|---|--------------|
| That the Joint Administrators' Proposals be approved | Yes / No |
| That a Creditors' Committee will <u>not</u> be established | Yes / No |
| That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time | Yes / No |

Are you also asking the Joint Administrator to convene a physical meeting of creditors?² Yes / No

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)? Yes / No

If you wish to lodge an objection, you must have delivered it, along with a completed proof of debt, by 23.59 on the Decision Date – 2 August 2017 – by one of the following methods:

Post: Quantuma LLP, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

**Email: please scan in a signed copy of this form and attach it as a pdf to
southamptonvoting@quantuma.com**

NOTE: if you agree with the proposed decisions set out above, you do not need to do anything

² Requests for a meeting must be delivered within 5 business days of the date of delivery of the Notice Seeking Deemed Consent.

4Media Ltd (In Administration)

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: 4Media Ltd (In Administration) ("the Company")

Company Number: 06615561

In the High Court of Justice, Chancery Division, Birmingham District Registry no. 8152 of 2017

This Notice is given under Rule 3.39 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Frank Wessely, of Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS and Simon Campbell, of Quantuma LLP, Office D, Beresford House, Town Quay Southampton, SO14 2AQ, telephone number 023 8033 6464, who was appointed by the directors of the Company.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: Quantuma LLP, Office D, Beresford House, Town Quay Southampton, SO14 2AQ

By email to: tim.hollingsworth@quantuma.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 12 noon on 2 August 2017

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to:
<http://www.quantuma.com/guide/guide-creditors-committee/>

Signed: _____


Simon Campbell
Joint Administrator

Dated: 12 July 2017

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

4Media Ltd (In Administration)

On behalf of (name of Creditor): _____ ,

at (address of Creditor): _____ ,

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No