

AM03

Notice of administrator's proposals



Companies House

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1 Company details

| | | | | | | | | |
|----------------------|----------------------------|---|---|---|---|---|---|---|
| Company number | 0 | 6 | 6 | 5 | 7 | 1 | 3 | 3 |
| Company name in full | SPA EPOS Solutions Limited | | | | | | | |

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

| | |
|------------------|----------|
| Full forename(s) | Jeremy |
| Surname | Woodside |

3 Administrator's address

| | |
|----------------------|---------------|
| Building name/number | Third Floor |
| Street | 196 Deansgate |
| Post town | Manchester |
| County/Region | |
| Postcode | M 3 3 W F |
| Country | |

4 Administrator's name ①

| | |
|------------------|------|
| Full forename(s) | Gary |
| Surname | Bell |

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

| | |
|----------------------|---------------|
| Building name/number | Third Floor |
| Street | 196 Deansgate |
| Post town | Manchester |
| County/Region | |
| Postcode | M 3 3 W F |
| Country | |

② Other administrator

Use this section to tell us about
another administrator.

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Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Qualifying report and administrator's statement ^①



I attach a copy of the qualifying report



I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X**X**

Signature date

^d

2

^d

6

^m

1

^m

0

^y

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Notice of Administrator's Proposals



Presenter information

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

| | | | | | | | | | | |
|---------------|---------------------------|---|--|---|---|---|--|--|--|--|
| Contact name | Heather Barnes | | | | | | | | | |
| Company name | Quantuma Advisory Limited | | | | | | | | | |
| | | | | | | | | | | |
| Address | Third Floor | | | | | | | | | |
| | 196 Deansgate | | | | | | | | | |
| | | | | | | | | | | |
| Post town | Manchester | | | | | | | | | |
| County/Region | | | | | | | | | | |
| Postcode | M | 3 | | 3 | W | F | | | | |
| Country | | | | | | | | | | |
| DX | | | | | | | | | | |
| Telephone | 0161 6949144 | | | | | | | | | |



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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

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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.



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

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

**In the High Court of Justice Business and Property Courts in
Manchester Reference No. CR-2022-000819**

SPA EPOS Solutions Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

**Jeremy Woodside and Gary Bell
Joint Administrators**

Quantuma Advisory Limited

Third Floor, 196 Deansgate, Manchester, M3 3WF

0161 6949144

Disclaimer Notice

- This Statement of Proposals has been prepared by Jeremy Woodside and Gary Bell, the Joint Administrators of SPA EPOS Solutions Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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 of 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 SPA EPOS Solutions Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma Advisory Limited 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.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

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SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

1. Executive Summary

- 1.1 This Statement of Proposals is being delivered to creditors on 24 October 2022.
- 1.2 On 3 October 2022 Jeremy Woodside and Gary Bell of Quantuma Advisory Limited were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors the Company.
- 1.3 It was not possible to issue the Statement of Proposals at the same time as the previously circulated SIP 16 Statement as these were then subject to final review following receipt of additional information in relation to the creditors and the pension scheme from the Director.
- 1.4 The Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5 A summary of the current and anticipated future positions are detailed below.

Assets

| Asset | Realisations to date | Anticipated future realisations | Total anticipated realisations |
|--------------|----------------------|---------------------------------|--------------------------------|
| Stock | 25,000 | Nil | 25,000 |
| Debtors | 30,100 | Nil | 30,100 |
| Cash at Bank | 38,589 | Nil | 38,589 |
| | 93,689 | Nil | 93,689 |

Expenses

| Expense | Expense incurred to date | Anticipated further expense | Total anticipated expense |
|---------------------------------|--------------------------|-----------------------------|---------------------------|
| Joint Administrators' Fixed Fee | Nil | 52,000 | 52,000 |
| Solicitors' fees | 150 | 1,850 | 2,000 |
| Disbursements | Nil | 500 | 500 |
| Pre-appointment expenses | 36,929 | Nil | 36,929 |
| | 37,079 | 54,350 | 91,429 |

Dividend prospects

| Creditor class | Distribution dividend paid to date | Anticipated distribution dividend |
|------------------------------------|------------------------------------|-----------------------------------|
| Secured creditor (fixed charge) | Nil | Nil |
| Secured creditor (floating charge) | Nil | Nil |
| Preferential creditors | Nil | Uncertain |
| Secondary preferential creditors | Nil | Uncertain |
| Unsecured creditors | Nil | Nil |

- 1.6 Whilst there are anticipated distributions to preferential creditors, the pre-packaged sale detailed at 5.2 to 5.17 below has also allowed the mitigation of the following estimated substantial creditor claims through the transfer of employees under TUPE and claims from the landlord due to the licence to occupy:

- Employee claims of c.£84,000
- Certain landlord claims

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

1.7 The main work remaining to be done to conclude the Administration is liaise with the Purchaser regarding the payment of rent under the licence to occupy and liaise with the Landlords accordingly, liaise with the bank to arrange for the transfer of the cash at bank, investigate the availability of any other available assets, provide reasonable assistance to the debtor where required with any debtor collections, statutory investigations and submission of director conduct reports.

1.8 The Administration is expected to be concluded in c.12 months by exiting to dissolution.

1.9 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

2.1 The business was established in July 2008 and is part of the Group with Power EPOS acting as a holding company and the sole shareholder of the two trading entities being the Company, TSS and a non trading entity, POSM.

2.2 The Company traded from premises at Units 12f & 13f, Block 7 Enterprise Way, Edenbridge, TN8 6HF.

2.3 Historically, the Company traded profitably with a history of high gross margins (83% FY23 YTD) and profitable growth. However, the Group had not been sufficiently cash generative to be self-sufficient and a there was a large amount of capital investment required in development of the Group's core assets.

2.4 Funds generated from the organic growth of the Company, together with external funding (including secured lending from ThinCats and Huddle, which have been provided to Power EPOS) have been used to support the Group's ongoing cash flow requirements in recent years.

2.5 As detailed at Appendix IV, Quantuma Advisory Limited were instructed to carry out an Options Review for the Group in August 2022.

2.6 The director advised that the Group had become insolvent due to the significant investment that has been made in developing the software. Although the software is in a position to start to realise a return of value, the companies lack the working capital to continue to trade and invest in any additional growth. Although the Companies had been liaising with existing investors to raise further funding, this did not materialise.

2.7 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Quantuma Advisory Limited.

3. Events leading to the Administration

3.1 Quantuma were first approached by the Group on 26 July 2022 following an introduction from ThinCats in their capacity as a first ranked qualifying charge holder over Power EPOS with corporate cross-guarantees from other Group entities.

3.2 Power EPOS initially engaged Quantuma to complete a review detailing the options available to the Group in its current financial position, which included a solvent option

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

of continuing to trade and restructure following the introduction of funds from an investor.

- 3.3** It quickly became apparent that the proposed introduction of funds, that would resolve the Group's cash flow difficulties, would not materialise. Therefore, without the availability of additional capital, it was considered that the Group's entities were insolvent pursuant S.123 of the Insolvency Act 1986 in so far as "the Company cannot pay its debts as they fall due" and steps should be taken to place the all Group entities into Administration as it would enable the best chance of selling the business as a going concern.
- 3.4** On 12 August 2022, Power EPOS had engaged Quantuma to assist with contingency planning, however, in light of the cash position, it was considered that an AMA process should be commenced to enable the best chance of selling the business as a going concern and that there should be ongoing assistance with cash-management to ensure the value of assets are preserved for creditors whilst a sale was explored.
- 3.5** Quantuma were subsequently instructed in respect of providing assistance in the planning and preparation for the Company to be placed in Administration on 24 August 2022. Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.
- 3.6** These proceedings are COMI proceedings.
- 3.7** In compliance with the data protection legislation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

Ethical Considerations

- 3.8** Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

4. The Objective of the Administration

- 4.1** Administrators must perform their functions with the objective of:
- rescuing the company as a going concern;
 - or if that is not possible, then 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 if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2** The Joint Administrators would comment that due to a lack of working capital and level of historic liabilities, they did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.
- 4.3** Whilst the swift steps taken by the Joint Administrators have enhanced realisation prospects, the Joint Administrators do not believe that the dividend (if any) to unsecured creditors will be improved over that which could have been achieved via a

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

liquidation alone. Accordingly, the Joint Administrators do not consider it likely that the second objective will be achieved.

- 4.4 The Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's preferential creditors.
- 4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' Appointment

- 5.1 Immediately upon appointment, the 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 remaining management of the Company.

The sale of the Company's business and assets

- 5.2 The Joint Administrators concluded a pre-pack sale of the Group's business and assets. Information relating to this sale is attached at Appendix IV. The sale consideration of £174,500 has been received in full.
- 5.3 Of the total consideration received, £55,100 relates to the Company's business and assets. A full breakdown of the total consideration received and the allocation of funds to the Group entities' respective assets is provided below.
- 5.4 It was considered that Administration would best allow for a sale of the Company's business and assets to be negotiated and completed, which should result in improved realisations, particularly for debtors and intellectual property rights.
- 5.5 A sale, by way of pre-packaged administration was considered necessary to allow a possibility of the following:
- Maximise asset realisations – A business sale facilitates the continuity of trade and minimal disruption to business, which resulted in enhanced realisations in respect of the debtors and stock.
 - Preservation of intangible assets – a pre-packaged sale enables the sale of the Group's intellectual property (from Power EPOS and TSS), which may not be achieved if the Group ceased to trade. Without the intangible assets, the Company would not have had any related revenue and would not be able to trade independently.
 - Mitigation of employee claims and preservation of employment – a sale will enable the transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). The transfer of employment to the purchasing company, ensures all 7 members of staff have full continuity of employment rights, which mitigates claims in the Administration.
 - Mitigation of Landlord liabilities - a pre-packaged sale may allow a purchaser to enter into negotiations with the landlord in respect of future occupation, potentially mitigating claims for dilapidations and clearance costs.
- 5.6 The Group was forecast to run out of cash in the coming weeks and was having to proactively collect debtors on a day-by-day basis to enable payment of its critical creditors. The directors were also unable to collect certain large debtors related to future work due to these effectively representing deposits and it was not certain if this

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

work/service would be provided. Furthermore, it had become apparent that no further capital would be introduced from investment to help plug working capital gaps.

- 5.7** Due to the cash flow pressures and the imminent expiry of a loan facility which has been used to provide funding across the Group (this facility was provided to Power EPOS), any medium to long term solvent turnaround strategies, such as an operational restructure of the business, were not viable. Therefore it was considered necessary to commence marketing the Group's business and assets for sale whilst there was sufficient working capital to trade.
- 5.8** Given all of the above it was considered that administration would provide the best outcome for all stakeholders across the Group as a whole and it was considered that each part of the Group would not be able to be sold or operate independently.
- 5.9** The Group's directors provided a list of 6 potentially interested parties, which comprised businesses that had previously expressed interest in investment and are competitors of the Group. Quantuma assisted with contacting the potentially interested parties and circulated the teaser to further contacts from an interested party database held by Quantuma and further contacts within the K3 network.
- 5.10** Based on conversations with management and agents it was considered, due to the anticipated niche market this opportunity would appeal to, that a direct approach to competitors or parties interested in this sector would result in most interest and value. Full details of the rationale for the marketing approach, offers received and other considerations are provided at Appendix IV.
- 5.11** As a result of the marketing, three offers were received. Two of these offers were based on unacceptable terms and levels of consideration that had been indicated by the agents that had been engaged. The third offer was from the Purchaser and had a number of acceptable elements, however, it required a significant increase of consideration attributed to the intangible assets, relating to software, for it to be deemed acceptable.
- 5.12** The Purchaser submitted a second offer of increased consideration for the intangible assets and the agents (details provided at appendix IV) had concluded that the Purchaser's offer was likely to represent the best net realisation for the assets and mitigate various creditor claims. Therefore, they recommended to the Joint Administrators that the offer be accepted.
- 5.13** As the proposed Joint Administrators were in discussions with the Purchaser an NOI had been filed on 2 September 2022 and, at the point of expiry, the parties were not in a position to complete a transaction. Therefore, it was considered necessary to file a subsequent NOI on 19 September 2022 to enable the agreement of sale documents.
- 5.14** Following the agreement of documents and consents from the secured creditors and FCA (in respect of TSS and SPA), the directors filed the Notice of Appointment on 3 October 2022, appointing Jeremy Woodside and Gary Bell as Joint Administrators. Due to the timing of the filing and confirmation of appointment via sealed NOAs, a sale of the Group's business and assets was completed the following day, on 4 October 2022.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

5.15 The Purchaser, an unconnected third party, paid total consideration of £174,500 for the Group's assets, which is apportioned as follows:

| £ Asset | Group | SPA | Power | TSS |
|-------------------|---------|--------|--------|--------|
| Intangible assets | 100,000 | Nil | 30,000 | 70,000 |
| Stock | 30,000 | 25,000 | - | 5,000 |
| Debtors | 44,500 | 30,100 | - | 14,400 |
| | 174,500 | 55,100 | 30,000 | 89,400 |

5.16 The consideration of £55,100 in respect of SPA was payable on completion and the Joint Administrators can confirm that this has been received in full.

5.17 There are no other terms or conditions of the contract that could materially affect the asset consideration.

5.18 The sale of SPA's business and assets was part of the wider transaction of the Group's business and assets.

5.19 As part of the transaction, the Purchaser has also entered into a three month license to occupy the Company's leasehold premises. Furthermore, the debt owed to Huddle in Power EPOS was novated to the Purchaser.

5.20 The following assets were excluded from the sale to the Purchaser:

- Cash at bank
- Intercompany debtors
- Any other asset not listed above

Other steps taken as regards assets

Cash at Bank

5.21 On appointment, the Company's pre-appointment bank account with HSBC held a credit balance of £39,483. To prevent any unexpected reductions in the credit balance held and to preserve this asset for the benefit of creditors, the Joint Administrators organised the transfer of these funds shortly following their appointment. The Joint Administrators have also written to HSBC to request that the accounts are frozen and request other information as soon as possible.

Intercompany Debtors

5.22 The Company's management accounts to June 2022 include a figure of £239,198 in respect of intercompany debtors. The other Group companies were placed into administration on the same date as the Company and therefore the Company would have an unsecured claim in the other Group entities for the intercompany balances. It is not anticipated that there will be sufficient realisations from these administrations to make a distribution to the Company as an unsecured creditor and therefore there will be no realisations from this source.

Business Rates

5.23 The Joint Administrators will engage PCA to investigate the rateable values of the Company's trading premises and identify any historic overpayments based on the rateable value being incorrectly determined. An update will be provided in the Joint Administrators first progress report.

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The Joint Administrators' Statement of Proposals

Steps taken as regards creditors

- 5.24** The Joint Administrators liaised with the directors of the Company regarding the employees' positions and anticipated sale process to be completed shortly after appointment. The directors were responsible for the management of the workforce's expectations in this regard and ongoing trade. As a result of the sale, the Company's 7 employees have transferred to the Purchaser and therefore employee claims were mitigated relating to arrears of pay, holiday pay, payment in lieu of notice and redundancy.
- 5.25** Additionally the Joint Administrators' staff have undertaken a review of the Company's pension arrangements will make the statutory notifications required to The Pensions Regulator and The Pension Protection Fund. The Joint Administrators will also review the Company's records in respect of any arrears of pension contributions and fulfil any other duties relating to the pension scheme.
- 5.26** The Joint Administrators' have liaised with the Company's secured creditor, ThinCats, and staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

Instruction of specialists

- 5.27** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.
- 5.28** 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 matters arising in the Administration.
- 5.29** To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Napthens, a firm of solicitors with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.30** Hilco, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of the Company's assets where appropriate. The agents also advised on the acceptance of the offer to purchase the assets.
- 5.31** In addition, CRM was instructed was instructed by the Joint Administrators to undertake a review and valuation of the Company's debtor ledger and to advise on a sale of the ledger.
- 5.32** The basis upon which the professional fees above have been agreed is outlined in the Explanatory Notes to the Joint Administrators' Expenses Estimate at Appendix VIII. All charges will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

- 5.33** The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

- 5.34** 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 Outcomes for Creditors

- 6.1** To date, the director has not submitted a signed Statement of Affairs, although he is currently in the process of drafting this. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given. The Joint Administrators have not carried out any work of the nature of an audit on the information.

- 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.

Prospects for creditors

- 6.3** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 3 October 2022 to 11 October 2022.

- 6.4** Attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors. It sets out the total anticipated realisations and the financial benefit that the work undertaken by the Joint Administrators is expected to generate for creditors .

6.5 Secured creditors

- 6.6** The Group's holding entity, Power EPOS, had a term loan with ThinCats. ThinCats's debt was secured by way of corporate cross guarantee over the other Group entities' assets. The debt at the date of the appointment of the Joint Administrators, according to the Company's books and records can be summarised as follows:

| | |
|----------------------------|---------|
| | £ |
| Term loan facility / CBILS | 525,000 |

- 6.7** It is not anticipated that there will be a distribution to ThinCats as there are no fixed charge assets and there are insufficient floating charge realisations to make a distribution. However, distributions to ThinCats under its fixed charges are anticipated from the administrations of Power EPOS and TSS as a result of a sale of the intangible assets held in those companies.

Primary Preferential claims

- 6.8** As detailed above, the Company's 7 employees transferred under TUPE to the Purchaser as part of the pre-packaged sale. The Purchaser has agreed to meet any outstanding wages and holiday pay as part of this agreement and therefore no preferential claims are anticipated in this regard.

SPA EPOS Solutions Limited (In Administration)

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6.9 There are estimated preferential claims for c.£500 in respect of employee pension contributions that have been deducted but not paid to the pension scheme. The Purchaser confirmed that it would settle any outstanding pension costs and therefore this claim has been mitigated.

6.10 There are no other known preferential claims outstanding.

6.11 Based on current information, it is anticipated that there will be sufficient funds to enable a distribution to primary preferential creditors although the quantum of this is uncertain at this stage.

Secondary Preferential claims

6.12 According to the Company's records at the date of appointment, there was an outstanding balance due to HMRC totalling £58,385 in respect of outstanding VAT and PAYE.

6.13 Based on current information it is uncertain whether there will be sufficient funds to enable a distribution to HM Revenue & Customs in respect of any secondary preferential claim, this is dependent on the total agreed claims to primary preferential creditors although it is not currently anticipated that there will be any.

6.14 The Act requires administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

6.15 It is unlikely that there will be sufficient realisations to discharge the costs of the Administration in full and therefore the Joint Administrators envisage that there will be no resulting net property from which to deduct a prescribed part.

6.16 In summary, it is anticipated that there will be sufficient funds to pay a distribution to preferential and/or secondary preferential creditors.

7. The Joint Administrators' Fees

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

- (i) A Set Fee basis in the sum of £52,000 is proposed in relation to the work categories indicated below;

7.1 Attached at Appendix VIII is the Joint Administrators' explanatory notes and details of the work categories associated with the above. Attached at Appendix VIII is a breakdown of the time costs incurred in the Administration to 11 October 2022 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix IX.

7.2 Creditors will note from the information provided that the estimated realisable value of all assets totals £94,583 and, as described elsewhere, necessary expenses have been incurred payable to independent parties, which will need to be paid in priority to the Joint Administrators' fees. Therefore, a fixed fee of £52,000 is being proposed.

7.3 The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

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- 7.4** Creditors may access a Guide to Administrators' Remuneration effective from 1 April 2021 at <http://www.quantuma.com/guide/creditors-guide-fees> or a hard copy will be provided on request free of charge.

8. The Joint Administrators' Expenses

- 8.1** Attached at Appendix VIII are details of the expenses that the Joint Administrators expect to incur in the Administration.

9. The Joint Administrators' Discharge

- 9.1** The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

Approval of the Statement of Proposals

Attached at Appendix X is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Joint Administrators propose to undertake.

- 9.2** The Joint Administrators are of the opinion that neither of the first two Administration objectives can be achieved.

Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

- 9.3** Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.
- 9.4** If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

- 9.5** The Joint Administrators are also inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee;
- The timing of the Joint Administrators' discharge from liability;

In the event that a creditors' committee is not established:

- The basis on which the Joint Administrators' fees shall be fixed;
- The approval of the unpaid pre-Administration costs;
- The approval of the basis of Category 2 expenses.

Attached at appendix XI are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Should you have any queries in regard to any of the above please do not hesitate to contact Heather Barnes on 0161 189 612 or by e-mail at Heather.Barnes@Quantuma.com.

Dated this 24 October 2022

A handwritten signature in black ink, appearing to be 'A.' with a stylized flourish.

Jeremy Woodside and Gary Bell were appointed Joint Administrators of SPA EPOS Solutions Limited on . The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix I: Definitions

| | |
|--------------------------------|---|
| The Act | The Insolvency Act 1986 |
| The Rules | The Insolvency (England & Wales) Rules 2016 |
| 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 | Jeremy Woodside and Gary Bell |
| The Company | SPA EPOS Solutions Limited (in Administration) |
| The Court | High Court of Justice Business and Property Courts in Manchester |
| EBIT | Earnings before interest and tax |
| The Group | Power EPOS Limited, Triniteq Service & Supplies Limited and SPA EPOS Solutions Limited |
| POWER EPOS | Power EPOS Limited, the sole shareholder and holding company |
| TSS | Triniteq Service & Supplies Limited |
| RPO | The Redundancy Payments Office |
| HMRC | HM Revenue & Customs |
| EOS | Estimated Outcome Statement |
| Hilco | Hilco Valuation Services |
| CRM | Cerberus Receivables Management |
| Napthens | Napthens Solicitors |
| PP or Prescribed Part | The Prescribed Part of the Company's net property subject to Section 176A of the Act |
| the Purchaser | Power EPOS Systems Limited |
| SPA | Sale and Purchase Agreement |
| QFCH | Qualifying Floating Charge Holder |
| Quantuma | Quantuma Advisory Limited |
| SIP | Statement of Insolvency Practice (England & Wales) |
| ThinCats/ the Secured Creditor | Tc Loans I Limited and Tc Security Trustee Limited |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |

SPA EPOS Solutions Limited (In Administration)**The Joint Administrators' Statement of Proposals****Appendix II: Statutory and Financial Information**

| | |
|--|--|
| Company name | SPA EPOS Solutions Limited |
| Proceedings | In Administration |
| Court | High Court of Justice Business and Property Courts in Manchester |
| Court reference | CR-2022-MAN-000819 |
| Date of appointment | 3 October 2022 |
| Appointed by | The Director John Tankard Units 12f & 13f, Block 7, Enterprise Way, Edenbridge, England, TN8 6HF |
| Joint Administrators | Jeremy Woodside and Gary Bell Quantuma Advisory Limited Third Floor, 196 Deansgate, Manchester, M3 3WF |
| Statement required by Paragraph 100(2) of Schedule B1 of the Act | The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them |
| Registered office | c/o Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF |
| Company number | 06657133 |
| Incorporation date | 28/07/2008 |
| Company Secretary at date of appointment | n/a |
| Directors at date of appointment | John Tankard |
| Directors' / Secretary's shareholdings | n/a |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Summary Profit and Loss Account

| £'000 | FY20 | FY21 | FY22 | FY23 YTD |
|--------------------------------|--------------|--------------|---------------|-----------------|
| | 12m | 12m | 12m | 3m |
| Turnover | 649 | 490 | 719 | 178 |
| Cost of Sales | (160) | (181) | (207) | (88) |
| Gross Profit | 489 | 309 | 512 | 89 |
| | 75% | 63% | 71% | 50% |
| Admin expenses / costs | (389) | (271) | (417) | (114) |
| Other operating income | - | - | - | - |
| Operating Profit | 101 | 38 | 95 | (24) |
| Interest | (0) | - | - | - |
| Profit before tax | 100 | 38 | 95 | (24) |
| Tax | - | - | - | - |
| Profit/(loss) after tax | 100 | 38 | 95 | (24) |
| EBITDA / (LBITDA) | - | - | 95 | (24) |

Summary Balance Sheet

Balance Sheet - SPA

| £'000 | Mar-20 | Mar-21 | Mar-22 | Jun-22 |
|-----------------------------------|------------|------------|------------|------------|
| Fixed Assets | | | | |
| Tangible | 1 | 0 | 2 | 2 |
| | 1 | 0 | 2 | 2 |
| Current Assets | | | | |
| Trade Debtors & prepayments | 118 | 171 | 65 | 125 |
| Stocks | 41 | 9 | 117 | 106 |
| Other Debtors | 70 | 6 | 2 | 4 |
| Intercompany debtor | - | 154 | 241 | 239 |
| Cash at Bank | 12 | 43 | 6 | 5 |
| | 242 | 383 | 431 | 479 |
| Current Liabilities | | | | |
| Bank loans and overdrafts | 1 | - | - | - |
| Trade Creditors & accruals | 55 | 61 | 131 | 184 |
| Taxation & social security | 31 | 106 | 37 | 58 |
| Other Creditors | 77 | 51 | 53 | 51 |
| | 164 | 217 | 221 | 293 |
| Non-Current Liabilities | | | | |
| Other Creditors | - | 50 | - | - |
| | - | 50 | - | - |
| Net Assets / (Liabilities) | 78 | 116 | 212 | 188 |
| Share Capital | 189 | 189 | 189 | 189 |
| P&L Reserves | (111) | (73) | 23 | (1) |
| Net Assets / (Liabilities) | 78 | 116 | 212 | 188 |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix III: Statement of Pre-Administration Costs

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.

On 24 August 2022 the Company agreed with the proposed Joint Administrators that Quantuma Advisory Limited 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 and related expenses for the following tasks and matters that were considered to be necessary to placing SPA EPOS Solutions Limited into Administration.

Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. Hilco were engaged to assist by providing valuation advice in relation to the Company's intangible and physical assets, assisting with the marketing process and providing advice on offers received. CRM were engaged to provide valuation advice on the debtor ledger. Napthens, engaged solicitors, were engaged to draft a sale and purchase agreement and to agree its terms with the prospective purchaser. Napthens were also instructed to assist with the preparation and filing to the Notice of Intention to appoint an Administrator and the Notice of Appointment of Administrator. This work was expected to have a financial benefit for creditors, as the pre-packaged sale resulted in the transfer of all employees to the purchaser which resulted in a significantly smaller primary preferential claims which will in turn result in a better return to the preferential creditors.

Following this statement is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration.

Included within Appendix X are Quantuma Advisory Limited's charge-out rates and bases of expenses.

As confirmed above, Napthens were instructed on 25 August 2022 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a time-costs basis and consequently costs of £6,122 were incurred in the pre administration period in connection with the following activities:

- Drafting and filing the two NOI documents
- Serving the two NOIs on all relevant parties
- Liaising with the secured creditors solicitors in respect of obtaining deeds of release
- Completing a review of the secured creditors' security in order to effect distributions of fixed charge funds across the Group
- Advising the proposed Administrators in respect of their appointment
- Drafting and filing the Notice of Appointment document
- Serving the Notice of Appointment on all relevant parties

As confirmed above, Hilco were instructed on 24 August 2022 to provide valuation advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a percentage basis and consequently costs of £672 were incurred in the pre administration period in connection with the following activities:

- Initial instruction discussion with Quantuma Advisory
- Review of the Company's stock lists

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

- Performing a desktop valuation of the Company's stock
- Follow up calls in respect of the valuation conducted and offer received
- Recommendations set out in respect of considering the offer from the Purchaser in the wider context of the Company's financial position

As confirmed above, CRM were instructed on 7 September 2022 to provide valuation advice in relation to the debtor book to the Company and the proposed Administrators. It was agreed that their services would be provided on a time costs consequently costs of £1,353 were incurred in the pre administration period in connection with the following activities:

- Initial instruction meeting with Quantuma Advisory
- Review of the Company's debtor ledger
- Discussions with management regarding nature and the recoverability of debtors
- Providing an opinion on the offer received as part of the sale of business
- Follow up conversations on the final debtor position
- Recommendations set out in respect of considering the offer from the Purchasers in the wider context of the Company's financial position

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.

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 incurred | cost | Amount already Paid | Identity party made payment | of who | Amount Outstanding |
|--|---------------------------|-------------|------------------------------------|--|-------------------|-------------------------------|
| | £ | | £ | | | £ |
| Administrators' pre-administration | 25,919.50 | | - | | - | 25,919.50 |
| Remuneration | | | | | | |
| Legal costs | 8,984.00 | | - | | - | 8,984.00 |
| Agents Costs – Hilco | 672.00 | | - | | - | 672.00 |
| Agents Costs - CRM | 1,353.00 | | | | | 1,353.00 |
| Total Unpaid Pre-Administration Costs Outstanding | 36,928.50 | | | | | 36,928.50 |

I am seeking to recover the total unpaid pre-Administration costs and expenses scheduled above as an expense of the Administration.

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.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Pre appointment time costs

| Classification of Work Function | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|--|--------------------|----------------------|------------------------------------|
| Admin & Planning | 6.80 | 1,700.00 | 250.00 |
| Creditors | 1.50 | 375.00 | 250.00 |
| Pre Appointment | 69.10 | 21,709.50 | 314.18 |
| Realisation of Assets | 5.60 | 2,135.00 | 381.25 |
| Total Hours / Costs | 83.00 | 25,919.50 | 312.28 |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix IV: SIP16 Statement

High Court of Justice Business and Property Courts in Manchester Court
CR-2022-MAN000819

SPA EPOS Solutions Limited - In Administration (“SPA” or “**the Company**”)

PRE PACK SALE DISCLOSURE

Jeremy Woodside and Gary Bell
Joint Administrators

Quantuma Advisory Limited

Third Floor, 196 Deansgate, Manchester, M3 3WF

0161 694 9144

11 October 2022

In accordance with SIP16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the 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 realise the Company's property in order to make a distribution to one or more secured or preferential creditors in each respective 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

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

Once appointed as administrator, the role of the insolvency practitioner is to manage the Company's affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When either assisting the company before administration or acting as an administrator, the insolvency practitioner's role is not to advise the directors personally or any parties connected with any potential purchaser, who are usually encouraged to take independent advice.

In this case, prior to commencement of the Administration, the Company's holding company, Power EPOS Limited's ("Power EPOS"), first ranking charge holder, ThinCats t/a TC Loans I Limited ("ThinCats"), referred Quantuma Advisory Limited ("Quantuma") to act as advisors to the directors in relation to the options for the Company. For the avoidance of doubt, neither Quantuma 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 respective directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Quantuma 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 business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. 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 respective directors 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

Quantuma was initially introduced to the respective directors of the Company on 26 July 2022 by ThinCats to conduct an Options Review (“the Review”) due to the financial position of the business. The directors formally engaged Quantuma on 3 August 2022 and a fee of £17,500 was agreed to be paid by Power EPOS.

The Review was issued to the directors on 11 August 2022. The options available were dependent on additional equity being advanced by a shareholder as this would fund short to medium term working capital. However, it became apparent that this was not going to materialise and the respective directors requested that Quantuma proceed to contingency planning and an AMA process with a formal letter of engagement being signed on 24 August 2022.

Due to the financial position of the Company, the fees agreed in respect of the Review were not paid.

Pre-appointment Matters

The business comprises a holding company (Power EPOS), two trading entities (the Company and Triniteq Service and Supplies Limited (“TSS”)) and a non-trading company, POS Maintenance Limited (“POSM”) (together “the Group”). For the avoidance of doubt, POSM is not party to the pre-packaged sale and separate advice has been provided by Quantuma in this regard.

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. On this basis it was necessary to be separately engaged by each Group entity, despite any anticipated sale of the Group’s business and assets being completed as one transaction.

The fee agreed in respect of our pre-appointment advice was initially estimated to be in the region of £20,000 (per company) on the basis of the time costs properly incurred by staff at Quantuma’s standard charge out rates. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the directors of the Company on 24 August 2022.

The Group developed software systems for the hospitality and leisure industry which is currently used by a number of venues including two major chains across the UK. The trading entities also have contracts with recurring revenue.

The business traded from the following premises:

| | |
|---|--------------|
| 528-532 Prescot Road, Liverpool, L13 3DB | “Liverpool” |
| Office Nos 12 and 13F at Enterprise Way, Edenbridge, TN8 6HF and Unit 525 at Enterprise Way, Edenbridge, TN8 6HF | “Edenbridge” |

The properties for Liverpool and Edenbridge were held in the names of the Company and TSS respectively.

The directors advised that the Group had spent a number of years developing their core assets, being the software that sat within the Company and TSS. It was estimated that the business was imminently due to realise the value of the software development, however, the business was not yet sufficiently cash generative to meet its working capital obligations.

The Group had been reliant on shareholder funding and term loans to fund its working capital. Following the Review and without the additional shareholder funding materialising, the Company was forecast to breach its facilities, not be able to pay key suppliers and Group entities would breach Time To Pay arrangements for arrears of tax. It had been concluded in various meetings with the directors that the Company was insolvent in accordance with S.123 of the Insolvency Act 1986 in so far as “the Company cannot pay its debts as they fall due” and steps should be taken to place the Company into Administration as it would enable the best chance of selling the business as a going concern.

Following the engagement of Quantuma and commencement of the marketing process, the directors filed Notices of Intention to Appoint Administrators (“NOI”) on 5 September 2022.

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 | TC Security Trustee | 30 June 2021 |
| Debenture | TC Security Trustee | 30 June 2021 |
| Debenture | TC Loans I Limited | 23 August 2019 |

Since May 2021, Power EPOS had obtained additional funding from various sources including a shareholder loan (£250k, May 2021, unsecured – used to repay a loan from another shareholder), CBILS funding from ThinCats (£525k, June 2021, secured by a first ranking fixed & floating charge over the business and assets of the Company with composite guarantees provided by each group entity) and more recently, bridging finance from Huddle (which has increased to £120k at August 2022, secured by a second legal ranking charge over the assets of Power EPOS).

Following the marketing activities detailed below, an agreement with the purchaser was still being negotiated upon the expiry of the NOI on 16 September 2022 and therefore a second NOI was filed by the directors on 20 September 2022 to enable a deal to be finalised.

ThinCats were provided a copy of the Options Review on 11 August and have been consulted throughout the marketing process.

Power EPOS’s facility with Huddle, that benefited the Group’s working capital, was due to expire on 31 August 2022 it was noted that a dialogue should immediately be commenced with Huddle to attempt to prevent them from making formal demand on their facility on its expiry.

The directors approached Huddle to explore their options and there were no suitable options available.

In late August, the cash position became significantly distressed as a large payment from a customer was not forthcoming and further receipts from customers relating to future services caused difficulties in relation to the directors’ duties.

Due to the current cash flow pressures and the imminent expiry of Huddle’s facility, any medium to long term solvent turnaround strategies, such as an operational restructure of the business, were not viable.

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

The options listed below were considered with the directors.

Continuing to trade outside insolvency or through a Moratorium

The Company was reliant on certain resources from other Group entities, therefore any continuation of trade was partially reliant on the other Group companies’ ability to trade. The other Group entities were also considered insolvent and therefore, as a Group, the ability to trade would depend on the availability of further funds from lenders and shareholders.

The Group’s shareholders and existing lenders confirmed that they are not able to provide the level of additional funding necessary to support the Group.

Although it was established that a level of cash injection may be sufficient to provide additional working capital to support the business moving forward it was also concluded that the Group would likely struggle to attract a willing investor in view of the recent performance and that the process could take 2 – 3 months to complete. Risk of failure if cash reserves are insufficient to allow the business to continue to trade during this time and no further support from elsewhere is forthcoming.

Company Voluntary Arrangement (“CVA”)

Based on recent trading performance, it was likely that the Group would continue to require funding post CVA implementation in order to meet future liabilities and maintain CVA contributions. In the absence of such funding, it is unlikely that a CVA proposal will be approved by creditors.

Furthermore, the CVA process can take c.2- 3 months to implement and therefore there remains the risk of failure if cash reserves are insufficient to allow the business to continue to trade during this time and no further support from elsewhere is forthcoming.

A CVA does not affect the ability of the secured creditors to take enforcement action. ThinCats had already raised concerns regarding the viability of the Group and Huddle were expected to make a demand for repayment following the expiration of the facility on 31 August 2022.

Liquidation

The possibility of placing the Group’s entities into Liquidation has been considered. However, in the Company’s case it was not considered the best course of action as a liquidation would have led to the cessation of trade, which would have meant the redundancy of the Company’s seven employees and disclaiming the leasehold premises would result in additional creditor claims.

In the wider Group, liquidation was not considered the best course of action as there would be no resultant realisations of intangible assets in Power EPOS and TSS, the other leasehold premises would be disclaimed meaning further claims from the landlord in TSS, all 8 of TSS’s employees would be made redundant and there would have been additional claims and issues for customers due to the withdrawal of support services which they would lead to an increase in the level of creditors. It was also anticipated that there would be significantly reduced realisations from debtors in TSS and the Company.

Pre-packaged Administration Sale

There is 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.

A sale, by way of pre-packaged administration was considered necessary to allow a possibility of the following:

- Maximise asset realisations – A business sale facilitates the continuity of trade across the Group and minimal disruption to business, which results in enhanced realisations in respect of the debtors and stock.
- Preservation of intangible assets – a pre-packaged sale enables the sale of the Group’s intellectual property (from Power EPOS and TSS), which may not be achieved if the Group ceased to trade. Without the intangible assets, the Company would not have had any related revenue and would not be able to trade independently.
- Mitigation of employee claims and preservation of employment – a sale will enable the transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”). The transfer of employment to the purchasing company, ensures all 15 members of staff employed in the Group have full continuity of employment rights, which mitigates claims in the Administration.
- Mitigation of Landlord liabilities - a pre-packaged sale may allow a purchaser to enter into negotiations with the landlord in respect of future occupation, potentially mitigating claims for dilapidations and clearance costs.

A pre-packaged sale would allow the business to enter into Administration quickly and allow for a seamless transaction of the business to take place to a new company.

The Joint Administrators' Options on Appointment

Immediately 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 Group had insufficient capital in order to do so and it was not clear that the businesses 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 businesses 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 given that the Company had already explored the refinance options and marketing options within the available timeframes based on the funds available had been exhausted.

The Group's major secured creditor, ThinCats, was contacted and the Company circumstances and proposed strategy were explained. ThinCats did not raise objections to the proposed pre-pack strategy. The secondary charge holder, Huddle, was also consulted.

The Group's other major creditor is HM Revenue & Customs whereby PAYE and VAT liabilities of c.£450,000 are currently subject to a time to pay arrangement. However, this is expected to be offset by a R&D tax reclaim of c£291,000. HM Revenue & Customs have not been consulted in relation to the marketing and strategy as it was not considered beneficial to the overall strategy.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company within the past 24 months.

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 for advice and we were advised that none had been undertaken by the Company.

ThinCats were also advised of the strategy and given the opportunity to suggest any potential interested parties.

The Marketing Strategy

Limited marketing was undertaken due to the financial position of the Group meaning it was not in a position to run a long marketing campaign.

Marketing was undertaken from 24 August 2022 to 5 September 2022. The length of the marketing was determined by the following factors:

- Lack of alternative offers and interest; and
- The company was unable to continue to trade for a longer period given the lack of funds available.

After discussing the strategy with management and the agents, it was agreed it was most effective if competitors were targeted as the nature of the core business and assets, being hospitality EPOS software, was relatively niche.

- Hilco has sector specific knowledge and experience in managing similar asset sales;
- Hilco has a nationwide presence and a significant and longstanding history of assisting insolvency practitioners with business and asset sales;
- Quantuma is a leading national business solutions practice which has an established history of providing business acquisition opportunities to the market; and
- Quantuma and Hilco frequently market business and asset sales through their databases.

A teaser document, providing a high-level overview of the Group's trading activity, financial position and assets was initially issued to 6 parties provided by management, which comprised businesses that had previously expressed interest in investment and purchasing and are competitors of the Group and a

further 5 internal contacts from Quantuma and the KBS network that indicated they may have had some clients with potential interest in this opportunity. The teaser document was issued by email on 25 August 2022. Two parties requested and returned a signed NDA.

On 31 August 2022, the teaser was issued to a further 196 contacts who had registered for Quantuma's interested party/marketing database. A further 8 interested parties requested the NDA of which 5 returned signed copies.

It was considered that further advertisement via online insolvency business and asset marketing sites was not necessary and would not provide any additional meaningful interest due to the nature of the assets available.

All parties that returned the signed NDA were provided with certain information related to each Group company.

The activities undertaken were considered in relation to the marketing essentials outlined by SIP 16 and full disclosure will be provided post completion of the sale.

Following interested parties accessing the further information provided, three interested parties had calls with management and submitted offers for the Group's business and assets.

Two of offers received included less favourable terms such as unacceptable levels of consideration on deferred terms and without the payment of employees' wages, which would make the level of asset realisations lower and creditors' claims higher.

The other interested party, Power EPOS Systems Limited ("the Purchaser"), made an offer that far exceeded the other offers made for the Group's business assets with full payment on completion and included other beneficial aspects such as the payment of employees' wage arrears, which would reduce the level of creditors.

Valuation of the Business and Assets

Hilco Valuation Services ("Hilco") were initially instructed to provide a valuation of the Group's intangible assets held in Power EPOS and TSS. However, due to the time constraints on the marketing process and once it became apparent that there was limited competing interest in the assets, it was considered that a full valuation of the asset would not be cost effective for creditors as the value would be generally dictated by the highest offer received. On that basis, Hilco were instructed to provide an opinion on the offer received and letter of recommendation on 24 August 2022. They confirmed their independence, are qualified by RICS, and have adequate professional indemnity insurance.

Hilco also provided a desktop valuation on the stock, the "In-Situ" value of total stock held across the Group (in the Company and SPA) was between £63,450. The "Ex-Situ" value was estimated to be between £15,000 to £25,000. The global offer of £30,000 for the stock (£5k TSS; £25k SPA) was considered acceptable as it was between the Ex-situ and In-Situ amounts and it is likely that a sale to another party on a breakup basis would have incurred additional costs that would have significantly diluted any value for the assets.

Cerberus Receivables Management ("CRM") were also instructed to provide an opinion on the offer received for the debtor book on 7 September 2022. They confirmed their independence, are qualified by RICS, and have adequate professional indemnity insurance.

The initial offer put forward by the Purchaser was in excess of the other offers received. However, it did not appear in line with the initial indicative value achievable as advised by Hilco. The offer was forwarded to Hilco who confirmed that the IP and Stock apportionments were low.

The proposed Joint Administrators entered into negotiations with the interested party and following calls with the agents and the interested party, an updated offer was put forward.

Hilco provided a letter of recommendation to accept the offer dated 13 September 2022.

The Transaction

The purchaser and related parties

A sale of the Group's business and assets was completed on 4 October 2022 with Power EPOS Systems Limited.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates.

As part of the transaction the outstanding debt due to Huddle has been novated to the Purchaser.

The current directors of the Company have no involvement in the purchasing company other than they will be employed by the business going forwards. They will not carry out a management role or have ownership of the purchasing company.

The transaction is between the insolvent Group companies and the Purchaser only and does not impact on any other related Company.

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 £174,500 and was paid on completion. Of the total consideration received £55,100 is attributable to the assets of TSS.

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

| <u>Asset Category</u> | <u>Asset</u> | £ | | | |
|-----------------------|-------------------|---------|--------|--------|--------|
| | | Group | SPA | Power | TSS |
| Fixed charge | Intangible assets | 100,000 | Nil | 30,000 | 70,000 |
| Floating charge | Stock | 30,000 | 25,000 | - | 5,000 |
| Floating charge | Debtors | 44,500 | 30,100 | - | 24,400 |
| | | 174,500 | 55,100 | 30,000 | 99,400 |

Prior to the Joint Administrators' appointment and completion of the sale, the Joint Administrators' solicitors completed a review of ThinCat's security to confirm its validity.

The Company's cash at bank asset was excluded from the transaction.

There were seven employees of SPA EPOS and eight employees of TSS who were transferred as part of the Sale.

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

A licence to occupy is to be granted in respect of 528-532 Prescott Road, Liverpool, L13 3DB, Office Nos 12 and 13F at Enterprise Way, Edenbridge, TN8 6HF (TSS) and Unit 525 at Enterprise Way, Edenbridge, TN8 6HF (SPA) for a period of 3 months whilst negotiations with the landlord of the property are progressed.

The Sale is not part of any other wider transaction.

Connected Person Transactions

As the Sale was not to a connected person (as defined by Paragraph 60A (3) of Schedule B1 to the Insolvency Act 1986), an evaluator's report on the proposed sale was not required.

OTHER MATTERS

The effect of the Administration is to provide protection to the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine queries. However, it would assist with the preparation of an accurate statement of the Company affairs if you will forward a statement of your account made up to 3 October 2022. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information which may be relevant, please contact me as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

"A Creditors' Guide to Administrators' Remuneration" effective from 1 April 2021 is available to download at <http://www.quantuma.com/guide/creditors-guide-fees>. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

Should you wish to know more about the insolvency process in general, I recommend that you visit www.creditorinsolvencyguide.co.uk.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix V: Estimated Financial Position

| | Est. Realisations £ |
|---|------------------------------------|
| <u>Assets Subject to Floating Charge</u> | |
| Trade debtors | 30,100 |
| Stock | 25,000 |
| Cash at bank | 39,843 |
| | <hr/> |
| | 94,943 |
| Estimated total assets available for preferential creditors | 94,943 |
| Primary preferential creditors | |
| ERA Claims | - |
| Employee Pension contributions | (870) |
| Secondary preferential creditors | |
| HMRC - VAT | (43,008) |
| HMRC - PAYE | (15,377) |
| Estimated deficiency/surplus as regards preferential creditors | 35,688 |
| Estimated prescribed part of net property where applicable (to carry forward) | (10,138) |
| Estimated total assets available for floating charge holders | 25,550 |
| Debts secured by floating charges - ThinCats | (525,000) |
| Estimated deficiency/surplus of assets after floating charges | (499,450) |
| Estimated prescribed part of net property where applicable (brought down) | 10,138 |
| Total assets available to unsecured creditors | (489,312) |
| <u>Unsecured non-preferential claims</u> | |
| Trade Creditors | 76,770 |
| Intercompany creditors | 68,825 |
| Pension contributions | 870 |
| | (146,465) |
| Estimated deficiency/surplus as regards creditors | (635,777) |
| Issued and called up capital | (188,700) |
| Estimated total deficiency/surplus as regards members | (824,477) |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

| Creditor | Address | | | | | Claim |
|---|--------------------------------|------------------------|-------------------------------|---------------------|--------------|--------------|
| 9 GROUP LTD | VICTORY HOUSE | CHOBHAM STREET | LUTON | BEDS | LU1 3BS | 32.86 |
| ADEPT VEHICLE SOLUTIONS LTD | ROWHURST INDUSTRIAL ESTATE | ADEDALE ROAD | NEWCASTLE | STAFFORDSHIRE | ST5 6BH | 577.87 |
| AMAZON | 1 PRINCIPAL PLACE | WORSHIP STREET | LONDON | EC2A 2FA | | 1,076.67 |
| BOSSE COMPUTERS LTD | BOSSE HOUSE | WHARFSIDE WAY | TRAFFORD PARK | MANCHESTER | M17 1AN | 608.92 |
| BUSINESS STREAM | SCOTTISH WATER BUSINESS STREAM | 7 LOCKSIDE VIEW | EDINBURGH | E12 9DH | NE98 1ZZ | 0.03 |
| CRABLE LTD | BULMAN HOUSE | REGENT CENTRE | GOSFORTH | NEWCASTLE UPON TYNE | NE3 3LS | 210.00 |
| DPD LOCAL | 15TH FLOOR | CASTLEMEAD | LOWER CASTLE STREET | BRISTOL | BS1 3AG | 291.70 |
| EASISTORE EDENBRIDGE | EDEN HOUSE BUSINESS CENTRE | ENTERPRISE WAY | EDENBRIDGE | KENT | TN8 6HF | 1,790.40 |
| EASY SPACE | LISTER PAVILION | KELVIN CAMPUS | WEST OF SCOTLAND SCIENCE PARK | GLASGOW | G20 0SP | 130.69 |
| FORPOS LTD | UNIT G4 | KINGSTON BUSINESS PARK | KINGSTON BAGPUIZE | OXFORD | OX13 5FE | 1,972.80 |
| GIFTPRO | STIRLEY HOUSE | AMPRESS LANE | AMPRESS PARK | LYMINGTON | SO41 8LW | 3,000.00 |
| HM Revenue & Customs PAYE | Benton Park View | Longbenton | Newcastle | | BX9 1ZZ | 15,377.00 |
| HM Revenue & Customs VAT | Benton Park View | Longbenton | Newcastle Upon Tyne | | NE98 1ZZ | 43,008.00 |
| ICRTOUCH (IOW) Ltd | EMBASSY WAY | SANDOWN | ISLE OF WIGHT | PO36 0jp | | 124.68 |
| INTERNET MISC SUPPLIERS | | | | | | 309.24 |
| JM PRIME TECHNOLOGIES LTD | 12 CHAPEL HOUSE | WATFORD | WD25 7AR | | | 36.00 |
| MGT DESIGN LTD | SHACKLETON HOUSE | SYWELL AERODROME | NORTHANTS | NN6 0BN | | 1,516.80 |
| MICROTEK LTD | GATEWAY HOUSE | GATEWAY DRIVE | YEADON | LEEDS | LS19 7XY | 24.00 |
| MONDAY | BLUE SNAP INC | 800 SOUTH STREET | SUITE 640 | WALTHAM | MA02453, USA | 0.01 |
| NEWLAND (EUROS) BARCODE CONNEXIONS | ROLWEG 25 | 4104 AV CULEMBORG | THE NETHERLANDS | | | 3,892.80 |
| REDUNDACY PAYMENTS SERVICE (PENSION - PREF) | PO BOX 16685 | | BIRMINGHAM | B2 2LX | | 870.00 |
| REDUNDACY PAYMENTS SERVICE (PENSION - PREF) | PO BOX 16685 | | BIRMINGHAM | B2 2LX | | 870.00 |
| PARTNER TECH UK CORP LTD | UNIT 11, BERKELEY COURT | MANOR PARK | RUNCORN | CHESHIRE | WA7 1TQ | 13,151.40 |
| Post Office Ltd | FINSBURY DIALS | 20 FINSBURY STREET | LONDON | EC2Y 9AQ | | 270.00 |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

| | | | | | | |
|---------------------------------|---------------------------|--------------------|------------------------|----------|----------|-------------------|
| Power EPOS Ltd | | | | | | 9,234.00 |
| PREMIER VANGUARD LTD | STEWART CLOSE | ECCLESHILL | BRADFORD | YORKS | BD2 2EE | 226.98 |
| QUBIC LTD | ATHENE HOUSE | 86 THE BROADWAY | MILL HILL | LONDON | NW7 3TD | 808.09 |
| RS COMPONENTS LTD | PO BOX 99 | CORBY | NORTHAMPTONSHIRE | NN17 9RS | | 38.23 |
| SEVENOAKS DIST COUN | SEVENOAKS DIRECT SERVICES | DUNBRIK DEPOT | 2 MAIN ROAD, SUNDRIDGE | KENT | TN14 6EP | 1,547.00 |
| THINCATS | 2ND FLOOR BERNERS STREET | LONDON | | W1T 3NA | | 525,000.00 |
| TriniTEQ Service & Supplies Ltd | 528 - 532 PRESCOT ROAD | OLD SWAN | LIVERPOOL | L13 3DB | | 60,590.55 |
| VODAFONE CONNECT LTD - MOBILES | WOODLANDS | BARTHOLOMEW STREET | NEWBURY | RG14 5DZ | | 1.35 |
| WINTEC UK POINT OF SALE SYSTEMS | 39 GREVILLE STREET | LONDON | EC1N 8PJ | | | 41,540.40 |
| ZENDESK INC | 1019 MARKET STREET | SAN FRANCISCO | CA 94103 | | | 3,591.00 |
| | | | | | | 731,719.47 |

SPA EPOS Solutions Limited (In Administration)**The Joint Administrators' Statement of Proposals**

Please find below the relevant schedules in relation to Secured Creditors and Special Creditor Groups.

Schedule of Secured Creditors**Secured Creditors**

| Secured creditor's name and address | Amount of claim (estimated) | Details of security | Date security was given | Value of security (per Estimated Financial Position) |
|--|------------------------------------|----------------------------|--------------------------------|---|
| TC Loans Limited | £525,000 | Fixed and Floating Charge | 27 August 2019 | £525,000 |
| TC Security Trustee Limited | | Fixed and Floating Charge | 12 July 2021 | |
| TC Security Trustee Limited | | Fixed and Floating Chare | 12 July 2021 | |

Schedule of Special Creditor Groups

| Creditor Group | Number of creditors in group | Total amount of claims (estimated) |
|--|-------------------------------------|---|
| Employees and former employees – Pension Contributions | 7 | £1k* |

***Please note that preferential claims relating to pension contributions have been mitigated through the sale of the Company's business and assets as the Purchaser has agreed to settle these costs.**

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VI: Receipts and Payments Account

SPA EPOS Solutions Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 24/10/2022

| S of A £ | £ | £ |
|-----------------------|-----------|------------------|
| ASSET REALISATIONS | | |
| Licence fees | 2,587.78 | |
| Stock | 25,000.00 | |
| Book Debts | 30,100.00 | |
| Cash at Bank | 39,483.18 | |
| | | 97,170.96 |
| COST OF REALISATIONS | | |
| Statutory Advertising | 92.00 | |
| | | (92.00) |
| | | 97,078.96 |
| REPRESENTED BY | | |
| Vat Receivable | | 18.40 |
| Bank 1 Current | | 97,578.12 |
| Vat Payable | | (517.56) |
| | | 97,078.96 |

Note:

SPA EPOS Solutions Limited (In Administration)**The Joint Administrators' Statement of Proposals****Appendix VII: Estimated Outcome Statement****SPA EPOS Solutions Limited****£****Floating charge assets**

| | |
|---------------|---------------|
| Trade debtors | 30,100 |
| Stock | 25,000 |
| Cash at bank | 38,247 |
| | <u>93,347</u> |

Costs of Realisation

| | |
|----------------------------------|-----------------|
| Office Holders' Fees - Pre-Appt | (25,920) |
| Office Holders' Fees - Post-Appt | (52,000) |
| Pre-Appt Legal Fees | (6,122) |
| Legal Disbursements | (67) |
| Pre-Appt Agents' Fees - Hilco | (672) |
| Pre-Appt Agents' Fees - CRM | (1,353) |
| Post-Appt Legal Fees & Disbs | (1,000) |
| Other Costs | (1,000) |
| | <u>(88,134)</u> |

Amount Available for Pref Creditors5,213**Primary Preferential Creditors**

| | |
|------------------------------|-------|
| Employee Arrears of Pensions | (870) |
|------------------------------|-------|

Secondary Preferential Creditors

| | |
|-------------|----------|
| HMRC - VAT | (43,008) |
| HMRC - PAYE | (15,377) |

Net property(54,042)**Prescribed Part**

-

Available for floating charge creditor(54,042)**ThinCats**

(525,000)

Amount available for unsecured creditors(579,042)**Unsecured Creditors**

(146,465)

Total estimated deficiency to creditors(725,507)

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VIII: Breakdown of the Joint Administrators' Fee Proposal & Expenses Estimate

• EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' FEES PROPOSAL

A Set Fee basis in the sum of £52,000 is proposed in relation to the work categories indicated below.

Narrative explanations are given below in relation to each category of work which will be covered by the Set Fee proposed. A list of the activities under those categories that it is anticipated will be carried out is also provided.

This Fees Proposal has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this as accurate as possible, it is based on the Joint Administrators' current understanding of the case and their knowledge and experience of acting as Joint Administrators 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.

This Fees Proposal has therefore been compiled on the following assumptions

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no exceptional work will be required to realise any further assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration.

On 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 Proposal. 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.

| ADMINISTRATION & PLANNING | |
|---|---|
| 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. | |
| Description of work undertaken | Includes |
| Administration & Planning | Case management reviews. This will be carried out periodically throughout the life of the case. Allocation of staff management of staff, case resourcing and budgeting. Time recorded to this category may include a degree of case planning. Review of time costs data to ensure accurate posting of time. Review of work completed by more junior members of staff to ensure quality of work and adherence to standard, legislation and best practice. Review of the Company's directors statement of affairs and filing of document at Companies House in accordance with statutory requirements |
| 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 | Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements Filing statutory notifications with the Pensions Regulator and Pension Protection Fund |
| Obtaining a specific penalty bond. | |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

| | |
|---|---|
| Recovering & Scheduling the company's books and records. | Collection and making an inventory of company books and records |
| Setting up electronic case files and electronic case details on IPS. | |
| General Administration - Dealing with all routine correspondence and emails relating to the case. Dealing with all matters relating to Data Protection matters. | Dealing with Data Subject Access Requests. |
| Case strategy & completing file reviews at 1 month, 2 months & 6 months. | Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists |
| VAT & Corporation Tax matters and returns. | Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns |

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or unsecured creditors, time will be spent in dealing with creditors' queries, dealing with the pension claim via the RPS and issuing statutory reports to creditors. In addition, as a dividend to preferential creditors is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement.

| Description of work undertaken | Includes |
|---|--|
| Dealing with creditor correspondence, emails and telephone conversations. | Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post |
| Dealing with Pension Schemes | Corresponding with the PPF and the Pensions Regulator |
| Committee Reporting | Reporting to committee members should a committee be formed |
| Committee Meetings, Minutes & liaising with Committee members [if there is a committee] | Holding an initial meeting of the committee Seeking the committee's approval on case strategy Calling and holding meetings of the committee as required and the circumstances of the case dictate |
| Final Account | |
| Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice. | Preparation of distribution calculation to the preferential Creditors Preparation of correspondence to preferential creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/Ni deductions from employee distributions and paying over to HMRC |
| Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate | Preparation of correspondence to preferential creditors advising of intention to declare distribution |
| Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims | Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of complex claims. |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

| | |
|---|--|
| | Dealing with unclaimed dividends |
| Dealing with HMRC/RPO claims | |
| Creditors' Decision Procedures/Meeting | Preparation of notices, proxies/voting forms and advertisements Circulate notices to all known creditors Collate and examine proofs and proxies/votes to decide on decisions/resolutions Preparation of file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement and draft minutes. Responding to queries and questions following decision procedure/meeting Issuing notice of result. |
| Annual/Progress Reports | Preparing, circulating and filing progress reports. Disclosure of sales to connected parties |
| SIP 16 Disclosure | Drafting the SIP 16 Disclosure Emailing the SIP 16 to IPA/ICAEW |
| Para 49 Administrators' Proposals | Drafting the Adm Proposals Filing ADM Proposals at RoC |
| Para 53 Report of Initial Meeting/Deemed Approval Documentation | Drafting post initial meeting/decision procedure documentation. |

INVESTIGATIONS

The insolvency legislation gives the Joint Administrators powers to take recovery action in respect of what are known as antecedent transactions e.g. where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The Joint Administrators 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.

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

| Description of work undertaken | Includes |
|--|--|
| Investigations | Reviewing the Company's electronic and physical records Reviewing documentation to any potential misconduct prior to the Joint Administrators' appointment |
| 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. | Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken |
| CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act. | Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations |
| Investigating & Pursuing Antecedent Transactions | Conducting initial investigations into the Company's affairs/records to determine if any of the following have happened: <ul style="list-style-type: none"> wrongful trading; preferences; misfeasance; |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

| | |
|--|--|
| | <ul style="list-style-type: none">• transactions putting assets beyond the reach of creditors;• Transactions at undervalue; and• Undue retention of crown monies |
|--|--|

REALISATION OF ASSETS

The receipts and payments account sets out the realisations achieved to date and the Estimated Outcome Statement sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. Work that has already and is anticipated to be carried out in relation to asset realisation is as follows.

| Description of work undertaken | Includes |
|--------------------------------|---|
| Realisation of Assets | |
| Freehold/Leasehold Property | Liaising with the landlord to make rent payments under the licence to occupy Liaising with Purchaser in respect of post-licence to occupy arrangements and if any assignment is required Surrender of any property documents, if required |
| Sale of Business | Liaising with solicitors and providing instructions following completion of the sale of business in order to obtain completed sale documentation, request completion funds and other necessary matters for the administration file. |
| Cash at Bank | Contacting the bank to arrange closure of the account and payment of the funds to the estate |

CASHIERING

The Joint Administrators 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.

| Description of work undertaken | Includes |
|--|---|
| Opening, maintaining and managing the Office Holders' cashbook and bank account. | Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book |
| Dealing with cheque requisitions | Issuing cheques/BACS payments |
| Dealing with deposit forms | Banking remittances |
| Bank Reconciliations | |
| Preparing & Filing statutory Receipts & Payments accounts | Preparing and filing statutory receipts and payments accounts at Companies House |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

• **EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' EXPENSES ESTIMATE**

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

| Category 1 Expenses | Basis | Estimate of total (£) |
|--|--------------|------------------------------|
| Legal costs Napthens Solicitors: providing advice in respect of validity of security and appointment and sale of the business | Time-costs | 2,000 |
| Accountants: Pickles Financial Solutions: fees to include assisting the Company's Director with the preparation of the Statement of Affairs and assistance with any tax matters | Time-costs | 1,000 |
| Advertising | At Cost | 169 |
| Bank charges | At Cost | 20 |
| Printing & Postage costs of external provider | At Cost | 60 |
| Bond premium | At Cost | 135 |
| Total | | 3,384 |

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix IX: Charge-out Rates and Expenses Policy

CHARGE OUT RATES

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active CEO/Managing Director's 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 Advisory Limited, exclusive of VAT.

| Grade of Staff | Rate from 23 June 2022 | |
|-----------------------------------|------------------------|----------------|
| | Regional Offices | London Offices |
| CEO/Managing Director | £495.00 | £665.00 |
| Appointment Taking Director | £450.00 | £560.00 |
| Director | £400.00 | £525.00 |
| Senior Manager | £345.00 | £460.00 |
| Manager | £325.00 | £395.00 |
| Assistant Manager | £295.00 | £360.00 |
| Senior Administrator | £250.00 | £310.00 |
| Administrator | £200.00 | £275.00 |
| Assistant Administrator | £160.00 | £210.00 |
| Case Accountant | £110.00 | £140.00 |
| Junior Administrator | £125.00 | £165.00 |
| Support Staff/Executive Assistant | £110.00 | £140.00 |

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. Cases that are considered complex in nature are subject to a 25% increase on the published rates above. A full explanation of why a case is considered to be complex will be provided to creditors at the point fee approval is requested.

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.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Details of historic charge out rates are available to review [here](#) or will 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.

EXPENSES

Expenses are any payments from the insolvency estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2). The following details are effective from 1 April 2021. Details of historic disbursement charges are available to review [here](#) or will be provided upon request.

Category 1 Expenses:

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Examples of these expenses include, but are not limited to, the following:

| Category 1 Expense – effective from 1 April 2021 | Basis of Charge |
|---|---|
| Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc | Typically on a timecosts or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. 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. |
| Subsistence e.g. accommodation, meals, parking and/or congestion charges, tolls or business telephone calls, incurred by case staff as a direct result of working on an insolvency case | Reimbursed at cost incurred |
| Statutory & other Advertising | At cost incurred. |
| 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 |
| Record Listing, Storage & Retrieval | At cost incurred |
| Printing & Postage costs of external provider. | At cost incurred |
| Virtual Meeting Platform (from 6/4/17) | At cost incurred |

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Category 2 Expenses

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration.

The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation.

Examples of Category 2 expenses include, but are not limited to, the following:

| Category 2 Expense – effective from 1 April 2021 | Cost £ |
|--|--|
| Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile) | £0.45 |
| Professional Services provided by non-insolvency service lines within Quantuma Advisory Limited or by associated Companies within the Corporate Group structure of Quantuma Advisory Limited | As advised to creditors on a case by case basis. |

The schedule is available for creditors to review at <http://www.quantuma.com/guide/creditors-guide-fees>.

VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and expenses 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's registered office.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix X: Summary of the Joint Administrators' Proposals

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 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
 - (i) 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
 - (i) 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, Jeremy Woodside and Gary Bell 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 10; or
 - (ii) 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, Jeremy Woodside and Gary Bell may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or
 - (iii) in the event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix XI: Decision Process Documents

NOTICE OF DECISION PROCEDURE

Company Name: SPA EPOS Solutions Limited (In Administration) ("the Company")

Company Number: 06657133

In the High Court of Justice Business and Property Courts in Manchester Insolvency & Companies List (ChD) CR-2022-MAN-000819

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Jeremy Woodside and Gary Bell, of Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF (telephone number 01615 189 612), 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 establishing of a Creditors' Committee, if sufficient nominations are received by 31 October 2022 and those nominated are willing to be members of a Committee.
2. The basis of the Joint Administrators' fees.
3. The approval of pre-Administration costs.
4. The timing of the Joint Administrators' discharge.

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 Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF

By email to: Heather.Barnes@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, 9 November 2022.

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.

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Invitation to Form a Committee

Creditors are invited to nominate creditors (which may include themselves) by completing the relevant section on the voting form and returning it to the Joint Administrator.

All nominations must be delivered by: 12:00pm on 31 October 2022.

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:  Dated: 24 October 2022

Jeremy Woodside
Joint Administrator

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

VOTE BY CORRESPONDENCE

SPA EPOS Solutions Limited (In Administration) ("the Company")

Name of Creditor: _____

Address: _____

Decisions:

| | | |
|---|--|-------------------|
| 1 | That a Creditors' Committee be established if sufficient nominations are received by 31 October 22 and those nominated are willing to be members of a Committee. ¹ I nominate the following creditor to be a member of a Creditors' Committee <u>and they have confirmed that they are willing to act:</u> _____ | *For / Against |
| 2 | That the Joint Administrators' fees be fixed in the sum of £52,000. | *For / Against |
| 3 | That pre-Administration costs set out in the Joint Administrators' Proposal totalling £25,919.50 be approved. | *For / Against |
| 4 | 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. | *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 9 November 2022, by:

Post: Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF

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

SPA EPOS Solutions Limited (In Administration)

The Joint Administrators' Statement of Proposals

Company Name: SPA EPOS Solutions Limited (In Administration) ("the Company")
Company Number: 06657133
In the High Court of Justice Business and Property Courts in Manchester Insolvency & Companies List (ChD) CR-2022-MAN-000819

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

This Notice is given under Rule 3.39 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the of the Company, Jeremy Woodside, of Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF, telephone number 01615 189 612, who was appointed by the directors.

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

By post to: Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF
By email to: Heather.Barnes@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 12pm on 31 October 2022.

Nominations can only be accepted if the Joint Administrators are 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:  _____ Dated: 24 October 2022

Jeremy Woodside
Joint Administrator

SPA EPOS Solutions Limited (In Administration)**The Joint Administrators' Statement of Proposals****PROOF OF DEBT - GENERAL FORM****SPA EPOS Solutions Limited (in Administration)**

Date of Administration: 3 October 2022

| 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 £ |
| 11. | If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information | Account No.: Account Name: Sort code: |
| 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 |