

AM03

Notice of administrator's proposals



Companies House

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17/08/2017

#22

COMPANIES HOUSE

1 Company details

Company number 06818869

Company name in full KPIP UK Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Hosking

3 Administrator's address

Building name/number Vernon House

Street 23 Sicilian Avenue

Post town London

County/Region

Postcode WC1A 2QS

Country

4 Administrator's name

Full forename(s) Simon James

Surname Bonney

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Vernon House

Street 23 Sicilian Avenue

Post town London

County/Region

Postcode WC1A 2QS


Country

② Other administrator

Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

| | |
|--|------------------------|
| 6 | Statement of proposals |
| <div><input checked="" type="checkbox"/> I attach a copy of the statement of proposals</div> | |

| | |
|------------------------------|--|
| 7 | Sign and date |
| Administrator's Signature | <div><div>Signature</div><div><input checked="" type="checkbox"/> </div><div><input checked="" type="checkbox"/></div></div> |
| Signature date | <div><div><div><div>d</div><div>1</div></div><div><div>d</div><div>5</div></div></div><div><div>m</div><div>0</div></div><div><div>m</div><div>8</div></div><div><div>y</div><div>2</div></div><div><div>y</div><div>0</div></div><div><div>y</div><div>1</div></div><div><div>y</div><div>7</div></div></div> |

AM03

Notice of Administrator's Proposals



Presenter information

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

| | |
|---------------|------------------------------------|
| Contact name | Tom Maker |
| Company name | Quantuma LLP |
| Address | Vernon House 23 Sicilian Avenue |
| Post town | London |
| County/Region | |
| Postcode | W C 1 A 2 Q S |
| Country | |
| DX | |
| Telephone | 01628 478100 |



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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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

**High Court of Justice, Chancery Division, Companies Court
Number 4674 of 2017**

**KPIP UK Limited
In Administration**

THE JOINT ADMINISTRATORS' PROPOSAL

**Andrew Hosking and Simon Bonney
Joint Administrators**

Quantuma LLP

Vernon House, 23 Sicilian Avenue, London, WC1A 2QS

020 3856 6720

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1. Executive Summary

- 1.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2 KPIP UK Limited ("the Company") was incorporated on February 2009. The principal activity of the Company was operating as the venue leaseholder for a nightclub, which traded from premises at 9 Rupert Street, London W1D 6DG. On 23 June 2017, Andrew Hosking and Simon Bonney of Quantuma LLP were appointed Joint Administrators of the Company by the Directors of the Company.
- 1.3 As explained in more detail in the Statement of Proposals, the Joint Administrators are currently pursuing the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

| Asset | Realisations to date £ | Anticipated future realisations £ | Total anticipated realisations £ |
|----------------------------|---------------------------|--------------------------------------|-------------------------------------|
| Lease | - | Uncertain | Uncertain |
| Rent and Service Charges | - | Uncertain | Uncertain |
| Plant & Machinery | - | Uncertain | Uncertain |
| Equipment | - | Uncertain | Uncertain |
| Cash at Bank | - | Uncertain | Uncertain |
| Pumping House Ltd | - | Uncertain | Uncertain |
| Geoffrey Leaver Solicitors | - | Uncertain | Uncertain |
| Harrow Law Practice | - | Uncertain | Uncertain |

Expenses

| Expense | Expense incurred to date £ | Anticipated further expense £ | Total anticipated expense £ |
|-------------------------------------|-------------------------------|----------------------------------|--------------------------------|
| Joint Administrators' fees | 0.00 | 120,344.00 | 120,344.00 |
| Joint Administrators' disbursements | 0.00 | 724.00 | 724.00 |
| Solicitors' fees | 0.00 | 20,000.00 | 20,000.00 |
| Agents' fees | 0.00 | 30,000.00 | 30,000.00 |

Dividend prospects

| Creditor class | Distribution / dividend paid to date £ | Anticipated distribution / dividend £ |
|------------------------------------|---|--|
| Secured creditor (fixed charge) | No secured creditor | No secured creditor |
| Secured creditor (floating charge) | No secured creditor | No secured creditor |
| Preferential creditors | - | Uncertain |
| Unsecured creditors | - | Uncertain |

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

2. Statement of Pre-Administration Costs

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

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

- 2.2** The pre appointment costs of the Joint Administrators in the sum of £4,363.50 were incurred in relation to the following activities:

- Confirming that one of the statutory objectives of administration could be achieved;
- Liaising with key stakeholders and major creditors;
- Carrying out all necessary steps in order to place the Company into administration.

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

- 2.3** The pre appointment disbursements of the Joint Administrators are outlined below:

| | £ |
|--------------------------------------|---------------|
| Category 1 | |
| AML Electronic Identification Search | 12.00 |
| Total | £12.00 |
| Category 2 | |
| None | 0.00 |
| Total | £0.00 |

- 2.4** No solicitors or agents were instructed pre appointment.
- 2.5** We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims

subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

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

| | Total cost incurred | Amount already Paid | Identity of party who made payment | Amount Outstanding |
|--|----------------------------|----------------------------|---|---------------------------|
| | £ | £ | | £ |
| Administrators' pre-administration Remuneration | 4,363.50 | Nil | N/A | 4,363.50 |
| Administrators' pre-administration Expenses: | | | | |
| Legal costs | Nil | Nil | N/A | Nil |
| Valuation Agent's costs | Nil | Nil | N/A | Nil |
| AML Checks | 12.00 | Nil | N/A | 12.00 |
| Administrators' Pre-administration Disbursements | | | | |
| Category 1 | Nil | Nil | N/A | Nil |
| Category 2 | Nil | Nil | N/A | Nil |
| Other Insolvency Practitioners' Remuneration | Nil | Nil | N/A | Nil |
| Other Insolvency Practitioners' Expenses | Nil | Nil | N/A | Nil |
| Total Amount Outstanding | £4,375.50 | Nil | | £4,375.50 |

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

| | £ |
|---|------------------|
| Quantuma LLP's time costs (see Appendix II) | 4,363.50 |
| Quantuma LLP's disbursements | 12.00 |
| Total | £4,375.50 |

2.8 I am seeking to recover all the unpaid pre-Administration costs and expenses scheduled in paragraph 2.6 above as an expense of the Administration.

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

3. The Joint Administrators' Fees

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

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

3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 15 August 2017. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

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

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

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

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

4. The Joint Administrators' Expenses

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

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

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

5. Proposed Work to be Undertaken

5.1 Set out in Appendix V is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with their estimates of the time these tasks will take to carry out in total. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Administration (including Statutory Reporting)

5.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

5.3 Primarily, these tasks include:

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

Investigations

5.4 The Joint Administrators examine the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Joint Administrators to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate.

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

5.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Joint Administrators' next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the

Company's books and records and agreeing statements to be given in evidence of those proceedings.

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

Realisation of assets

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

- Progressing a sale agreement of the Company's business and assets;
- Agreeing an assignment of the Company's lease.

Creditors (claims and distributions)

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

- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims; and
- Dealing with a creditors' committee, if one is appointed.

Proposed work to be undertaken by the Joint Liquidators

- 5.11 At present, it appears possible that there will be sufficient funds to pay a dividend to unsecured creditors (other than by way of the prescribed part). As this will be carried out once the Company has moved from Administration to CVL, separate Fees and Expenses Estimates for the Liquidation have been provided at Appendix V.

- 5.12 Creditors will appreciate that it is difficult to estimate the time and expenses likely to be incurred by the Joint Liquidators at this time, not least because it is difficult to know when the Company will move from Administration to CVL and consequently what work will have been done by the Joint Administrators by the time that the move takes place. Therefore, although much of the time estimated to be incurred in the activities listed above has been included in the Joint Administrators' Fees Estimate, in the event that the Administration moves to CVL sooner than anticipated, the Joint Liquidators are likely to incur a proportion of the time currently allocated to the Joint Administrators, for example in concluding the book debt collections.

- 5.13 In any event, the Joint Liquidators will be required to carry out the following activities in addition to continuing to realise the Company's assets and conduct investigations, where these have not been completed in the Administration:

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

6. Other Information to Support the Proposed Fees

- 6.1** Attached at Appendix V is an estimate of the time that the Joint Administrators envisage the above work will take to complete. Appendix V also provides their estimate of the expenses that have been or are likely to be incurred.
- 6.2** Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.
- 6.3** In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £120,344.00 in conducting the tasks described. This estimate includes the time spent to date of £14,342.50, as described in Appendix IV. This estimate includes time to be spent in the likely subsequent liquidation.
- 6.4** The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:
- investigations to the extent described in section 5 above will be carried out;
 - no exceptional work will need to be conducted in order to realise the remaining assets;
 - there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
 - there will be no need to extend the Administration.
- 6.5** On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

7. The Joint Administrators' Discharge

- 7.1** The Act requires that in the absence of a Committee 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, unless the court specifies a time.

8. Invitation to Form a Creditors' Committee

- 8.1** Attached at Appendix VIII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.
- 8.2** In the absence of a Committee, this responsibility falls to the unsecured creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.
- 8.3** Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

9. Approval Process

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

- That the Joint Administrators' Proposals (i.e. the statutory Statement of Proposals at Appendix I), be approved;
- That a Creditors' Committee will not be established; and
- That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.
- That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken;
- That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's Summary; and
- That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.

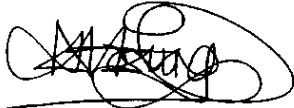
- 9.2** The Joint Administrators must receive completed forms by no later than 23.59 on 31 August 2017 to enable your vote to be counted.

- 9.3** Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix VII can require that a physical meeting of creditors be convened. Such a request must be made to the Joint

Administrators within 5 business days of the date on which this Proposal was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

Should you have any queries in regard to any of the above please do not hesitate to contact Tom Maker on 020 3856 6720 or by e-mail at tom.maker@quantuma.com.

Dated this 15 August 2017



Andrew Hosking
Joint Administrator

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

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

KPIP UK LIMITED (IN ADMINISTRATION)

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

High Court of Justice, Chancery Division, Companies Court

Number 4674 of 2017

**KPIP UK Limited
In Administration**

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

**Andrew Hosking and Simon Bonney
Joint Administrators**

Quantuma LLP

Vernon House, 23 Sicilian Avenue, London, WC1A 2QS

020 3856 6720

Disclaimer Notice

- This Statement of Proposals has been prepared by Andrew Hosking and Simon Bonney, the Joint Administrators of KPIP UK Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for KPIP UK 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 LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All Insolvency Practitioners of Quantuma LLP are licensed in the UK to act as Insolvency Practitioners.

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7. The Joint Administrators' Fees
8. Approval of the Statement of Proposals
9. Summary of the Joint Administrators' Statement of Proposals

Attachments

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- B** Statutory Information
- C** Director's Statement of Affairs as at 23 June 2017 and Creditors' Details
- D** Estimated Outcome Statement
- E** The Joint Administrators' Receipts and Payments Account to 15 August 2017

1. Introduction

- 1.1** This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2** The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3** This Statement of Proposals is being delivered to creditors on 15 August 2017.

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

2. Background to the Company

- 2.1** The business was incorporated on 13 February 2009 and remained dormant until July 2011.
- 2.2** In July 2011, the Company signed a 25 year lease agreement with London Trocadero Limited for Unit 76 in The London Trocadero Centre, London, W1. The Company subsequently obtained a license from Westminster Council and construction works on site commenced.
- 2.3** In December 2011, the venue launched as a licensed nightclub under the trading name of DSTRKT London. The Company continued to trade as the venue leaseholder and operator until July 2012.
- 2.4** In July 2012, the Company signed a management agreement for the premises with a third party and all employees were transferred to the new management company under the TUPE regulations. Most of the Company's suppliers were also transferred to the management company with the exception of electricity, gas, service charge and building insurance.
- 2.5** Since July 2012, the Company's trading activity was limited to its connection with the management company. During this time it invoiced the management company for management fees and re-invoiced the management company for the services mentioned above.
- 2.6** From August 2012 to April 2016, the Company had no employees. However in April 2016, one individual was employed as a chef upon the request of the management company, as a special license which the Company held was required. This employee left in November 2016. In February 2017 two more individuals were employed on a minimum wage.
- 2.7** Mr Ivan Patrikov has been the director of the Company since incorporation.
- 2.8** The Company director approached Quantuma LLP on 21 June 2017 regarding the possibility of placing the Company into Administration. The Company had experienced significant creditor pressure prior to this date and a number of statutory demands had been issued.

- 2.9 In order to protect the value of the Company's assets, the Company entered into Administration on 23 June 2017. Andrew Hosking and Simon Bonney of Quantuma LLP were appointed as Joint Administrators on the same day.

Overview of Financial Information

- 2.10 Extracts from the unaudited accounts for the 12 months to 29 February 2015, 12 months to 29 February 2016, and management accounts to 30 June 2017 are shown below.
- 2.11 Please note that this information has not been verified by the Joint Administrators or by Quantuma LLP. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

Summary Profit and Loss Account

| | Draft Management Accounts for year to 30/06/17 £ | Unaudited Statutory Accounts for year to 29/02/16 £ | Unaudited Statutory Accounts for year to 29/02/15 £ |
|----------------|--|---|---|
| Turnover | - | - | - |
| Admin Expenses | (1,485,601) | (1,306,538) | (1,315,005) |
| Operating Loss | (1,485,601) | (1,306,538) | (1,315,005) |
| Other Income | 469,057 | 1,231,485 | 1,574,599 |
| P(L)/EBIT | (1,016,544) | (75,053) | 259,594 |

Source: Management/Unaudited Accounts

Summary Balance Sheet

| | Draft Management Accounts for year to 30/06/17 £ | Unaudited Statutory Accounts for year to 29/02/16 £ | Unaudited Statutory Accounts for year to 29/02/15 £ |
|-------------------|--|---|---|
| Tangible assets | 700,902 | 886,394 | 976,812 |
| Intangible assets | - | - | - |
| Fixed assets | 700,902 | 886,394 | 976,812 |
| Current Assets | | | |
| Debtors | 658,640 | 1,029,871 | 1,144,922 |
| Cash at Bank | 675 | 491 | 85,068 |
| Total Assets | 1,360,217 | 1,916,756 | 2,206,802 |
| Liabilities | | | |
| Trade creditors | (314,148) | (500,513) | (512,923) |
| Other | (1,744,103) | (448,492) | (646,156) |
| Finance/HP | - | (39,697) | - |
| Director Loan | (1,338,986) | (1,629,605) | (1,674,221) |

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

| | | | |
|-------------------|-------------|-------------|-------------|
| Total Liabilities | (3,397,237) | (2,618,307) | (2,833,300) |
| Net Assets | (2,037,020) | (701,551) | (626,498) |

Source: Management/Unaudited Accounts

Management and Employees

2.12 As at 23 June 2017, the Company had two employees, including the director himself.

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

3. Events leading to the Administration

3.1 On 23 June 2017, Andrew Hosking and Simon Bonney of Quantuma LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by Company or Director(s).

3.2 The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

3.3 For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

4. The Purpose of the Administration

4.1 The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

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

4.3 The Joint Administrators would comment that the first objective was not achievable as there was insufficient funding available for the Company to survive as a going concern and the director does not have an interest in carrying on the Company. The Joint Administrators therefore deemed that it was not suitable to attempt a restructuring of the business.

4.4 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Joint Administrators would comment that the Administration will enable a sale of the

business and assets to be achieved. If the Company entered into liquidation rather than administration, the value of the Company's main asset, the leasehold property, would not be protected. It is envisaged that, as a result of this protection of the Company's assets, there will be a distribution to unsecured creditors which otherwise is unlikely to have been possible in liquidation.

- 4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

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

- 5.1 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 It is intended that a post appointment sale of the Company's business and assets will take place.
- 5.3 In this regard, the Joint Administrators have instructed James Owen & Co Limited, who are valuation agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available.

Assets remaining to be realised

- 5.4 As detailed above, all of the Company's assets remain to be realised. The business and its assets are currently being marketed by James Owen & Co Limited. The marketing process is currently on-going.

Post appointment strategy

- 5.5 Following the appointment of the Joint Administrators, their staff undertook all the necessary statutory tasks required and begun the sale process by instructing James Owen & Co Limited as described above.
- 5.6 The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.7 Legal advice has not yet been required in relation to the sale of the business and assets. However, it is envisaged that this will be required as the sale process progresses.
- 5.8 The Joint Administrators are yet to agree the basis of any professional fees. Once this is agreed, any fees charged will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

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

6. The Statement of Affairs and the Outcome for Creditors

- 6.1 A Statement of Affairs as at 23 June 2017 has been submitted by the Directors of the Company, a copy of which is attached at Attachment C.
- 6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3 The Joint Administrators have not carried out any work of the nature of an audit on the information.
- 6.4 The Joint Administrators have not yet undertaken a detailed review of the Statement of Affairs. It should also be noted that there are a number of assets listed on the Statement of Affairs which appear to be allocated incorrectly.
- 6.5 In addition, the Joint Administrators were not made aware of certain assets which are detailed in the Statement of Affairs, namely monies owed by Pumping House Limited, Geoffrey Leaver Solicitors and Harrow Law Practise. This matter has been raised with the Directors of the Company to establish the correct position.

Secured creditors

- 6.6 The Company has no secured creditors.

Preferential claims

- 6.7 Preferential claims relating to employee deductions are expected to be paid by the RPO who will have a corresponding preferential claim against the Company. There were only two employees at the date of Administration and it is envisaged that these creditors are only owed a small amount as a preferential claim. There are no other known preferential claims outstanding.

Prescribed Part

- 6.8 Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.9 In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor.

Unsecured Creditors

6.10 As detailed in the Estimated Outcome Statement attached at Attachment D, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there may be sufficient funds to pay a dividend to ordinary unsecured creditors. Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report. A Proof of Debt form is provided in the document to which this forms an appendix.

6.11 Attached at Attachment D is the Joint Administrators' receipts and payments account for the period from 23 June 2017 to 15 August 2017.

7. The Joint Administrators' Fees

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

7.2 The Joint Administrators will seek approval for the basis of their fees from the unsecured creditors, unless a Creditors' Committee is established.

7.3 Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

8.1 The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of a vote by correspondence.

8.2 Attached to the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix, is a Notice of Decision Procedure and a voting form, which describes how creditors may lodge a vote on the proposed decision to approve the Statement of Proposals and on the other proposed decisions.

8.3 Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.

9. Summary of the Joint Administrators' Proposals

9.1 The Statement of Proposals which creditors are invited to consider, is summarised below.

9.2 In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:

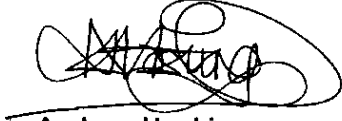
- (i) they sell the Company's assets at such time(s) and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that 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, Andrew Hosking and Simon Bonney will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8;
 - (ii) however, in the unlikely 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
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Andrew Hosking and Simon Bonney may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

KPIP UK Limited (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Dated this 15 August 2017

A handwritten signature in black ink, appearing to read 'A. Hosking', enclosed within a large, loopy circular flourish.

Andrew Hosking
Joint Administrator

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

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

DEFINITIONS

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

KPIP UK LIMITED (IN ADMINISTRATION)
STATUTORY INFORMATION

| | |
|-------------------------------------|--|
| Company Name | KPIP UK Limited |
| Previous Name(s) | None |
| Trading Name(s) | KPIP UK Limited |
| Proceedings | In Administration |
| Court | High Court of Justice, Chancery Division, Companies Court |
| Court Reference | 4674 of 2017 |
| Date of Appointment | 23 June 2017 |
| Joint Administrators | Andrew Hosking and Simon Bonney Quantuma LLP Vernon House, 23 Sicilian Avenue, London, WC1A 2QS |
| Registered office Address | Vernon House, 23 Sicilian Avenue, London, WC1A 2QS |
| Company Number | 06818869 |
| Incorporation Date | 13 February 2009 |
| Company Secretary | None |
| Appointment by | Directors |
| Directors at date of Appointment | Ivan Patrikov |
| Directors' Shareholdings | Ivan Patrikov 85 Ordinary £1 shares 85% of Total Share Count |

KPIP UK LIMITED (IN ADMINISTRATION)

**DIRECTORS' STATEMENT OF AFFAIRS AS AT 23 JUNE 2017 AND CREDITORS'
DETAILS**

STATEMENT OF AFFAIRS

Company Name: KPIP UK Limited - In Administration ("the Company")
Company Number: 06818869
In the High Court of Justice, Chancery Division, Companies Court No. 4674 of 2017


Statement as to the affairs of (a) KPIP UK Limited of 232a Northolt Road Harrow Middlesex HA2 8DU

on 23 June 2017 the date that the Company entered Administration

Statement of Truth

I believe that the facts stated in this Statement of Affairs are a full, true and complete statement of the affairs of the above named Company as at 23 June 2017, the date that the Company entered Administration

Full name ILAN FAIBER

Signed 

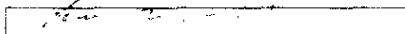
Dated 26/08/2017

10, 168772 RF

A1 – Summary of Liabilities

| | Estimated realisable value / Estimated to rank | |
|--|--|--------------------|
| | £ | £ |
| Estimated total assets available for preferential creditors (carried from page A) | 1486836 | 800934 |
| Liabilities | | |
| Preferential creditors - | | |
| Estimated deficiency/surplus as regards preferential creditors | | |
| Estimated prescribed part of net property where applicable (to carry forward) | | |
| Estimated total assets available for floating charge holders | | |
| Debts secured by floating charges | | |
| Estimated deficiency/surplus of assets after floating charges | | |
| Estimated prescribed part of net property where applicable (brought down) | | |
| Total assets available to unsecured creditors | 1486836 | 800934 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | | |
| See ATTACHED | 3472230 | 3472230 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | | |
| Shortfall to floating charge holders (brought down) | | |
| Estimated deficiency/surplus as regards creditors | (1 985 394) | (2 671 296) |
| Issued and called up capital | 100 | 100 |
| Estimated total deficiency/surplus as regards members | (1 985 494) | (2 671 396) |

Signed



Date

16/08/2017

COMPANY CREDITORS (cont.)

(excluding consumer creditors and employees – see pages B1 and B2)

[illegible]

Signed _____ Date _____

B1

COMPANY CONSUMER CREDITORS

(customers or clients claiming amounts paid in advance of the supply of goods or services, e.g deposits)

NOTE: If more convenient, a list of the company's consumer creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]

7

Signed _____ Date _____

Client : KPIP UK Ltd
Date: 30/06/2017

COMPANY CREDITORS

| Name of creditor or claimant | Address | Amount of debt | Details of security | Date | Value of security |
|------------------------------|--|----------------|---------------------|------------|-------------------|
| Affairs of May Inc. | 117 Mount Street, Mayfair London W1K 3LA | 106.77 | None | 01/12/2011 | (b)(9) |
| Airbus | 8 Woodcroft Crescent, Hillingdon, Middlesex UB8 3NJ/A | 3,898.40 | None | 2015 | |
| BT | Various | 4,350.04 | N/A | Jun 12 | |
| Ban & Catering Equipment | 1-2 Kingside Business Park, Riverside, Woolwich, London SE18 7P/A | 568.32 | None | 18/12/2011 | |
| Cassio Retail Systems | Unit 1 Sun St, Stoke on Trent ST1 4JW | 490.00 | None | 09/11/2016 | |
| Coastal Properties | Custom House, Ongar Rd, Braintree Essex CM11 9RG | 512.79 | None | 08/07/2017 | |
| Econo Mod | Carnell Bus Park, Bromfield, Worcester WR9 6L/A | 2,777.40 | None | May 11 | |
| First 4 Mortgage | The Cottage 2, Bignmore Ave., off Church Hill, Epsom Surrey KT8 5L/A | 146.00 | None | 23/04/2017 | |
| Gaffin Brothers | 1 Compton Road, Slough SL1 3AE | 333.89 | None | 09/12/2011 | |
| H P Landscapes Ltd | N/A | - | None | 11 | |
| Ingenious | N/A | - | None | 11 | |
| Imperial Fine Arts | 15 Little Rd, Nuneaton CV11 3X | 1,750.00 | None | 2011 | |
| Ingenious | Green Way, Northampton NN4 6AA | 436.20 | None | 2011 | |
| Kentish Bank | 15, Langley Way, Lutterworth Leicestershire LE17 3WS | 132.25 | None | 2011 | |
| Mortgage Co Ltd | Woodport House, 11, Newmarket Road, Loughborough LE11 1R | 40.8 | None | 2015 | |
| Mansel Ltd | 1 Marlborough Way, Watlington, Oxon OX12 1P | 144.33 | None | 11 | |
| Medall Ltd | N/A | - | None | 11 | |
| Oxford University Press | 22A AATMUL ROAD, HARROW HA2 8DU | 2,000.00 | None | 2011 | |
| Paid by the | Regat St, London W6 7B/A | 6,285.4 | None | 2011 | |
| Westminster City | 16-18, Regent St | 16,400.00 | None | 2011 | |
| Pave X Ltd | 141B, St Albans | 1,810.60 | None | 10 | |
| Rakumar Arun Kumar | 20, Market St, York YO1 1PA | 20,000.00 | None | 2011 | |
| Towngate Trading | 25, Market St, York YO1 1PA | 25,000.00 | None | 2011 | |
| Vandor, Ex-Orbit Ltd | 21, Market St, York YO1 1PA | 21,000.00 | None | 2011 | |
| Director's Choice Ltd | Lundy, BARNES ROAD, URBAN HQ, 20-20A, CUMS | 2,335.00 | None | 2011 | |
| Kordia Ltd | UHP, Key KENTON ROAD, HAZEL CAN HARRO | 1,514,483.00 | None | 2011 | |
| HNR Ltd | UHP, Key KENTON ROAD, HAZEL CAN HARRO | 1,514,483.00 | None | 2011 | |
| | | 3,395,029.00 | | | |

B1
COMPANY CONSUMER CREDITORS

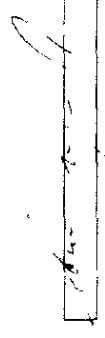
Yakimov, A. Listy i razgovory / Yakimov, A.

TOTALS

3,472,229.67

B2
COMPANY EMPLOYEES
(including former employees)

| Name of employee | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|-----------------------|---|---------------------|--|---------------------------|------------------------|
| IVAN PATRIKOV | Lundy Bakers Wood, Dart ham, Uxbridge, Midd's UB8 4LU 16.06.2017 | 670.00 | None | N/A | N/A |
| Ivaylo Krastev | Lundy Bakers Wood, Dart ham, Uxbridge, Midd's UB8 4LU 16.06.2017 | 670.00 | None | N/A | N/A |
| Umasankari Kuppaswamy | 197 Burges Road, East Ham, London E6 2BW 16.06.2017 | 737.15 | None | N/A | N/A |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Signed  Date 27.08.2017

C

Shareholders

NOTE: If more convenient, a list of the company's shareholders may be attached to this page

| 1 No. | 2 Name of Shareholder | 3 Address (with postcode) | 4 Type of shares held | 5 Nominal amount of share £ | 6 Number of shares held | 7 Amount per share called up £ | 8 Total amount called up £ |
|----------|--------------------------|---|-----------------------------|---|-------------------------------------|--|-------------------------------------|
| 1 | IVAN PATRIKOV | 1 LINDA, PARKERS WOOD, URGHLEY | ORD | 85 | 85 | 1 | 85 |
| 2 | ELECTROMACHINERY | 15, ALSTONDALE ST, LEIGH, LANC, Bury A | ORD | 9 | 9 | 1 | 9 |
| 3 | GOLDICE | | ORD | 6 | 6 | 1 | 6 |
| 4 | 4VIX Ltd | Share transfer form signed and dated 10/11/05 with 4VIX registered in DECEMBER BUT WILL NOT BE REGISTERED WITH COMMISSIONS HOLDING THIS HAS TO BE TAKEN INTO C/F IVAN PATRIKOV'S SHARES - 85, 10, 75 SHOWN IS BY COMMISSIONS HOLDING FORM 31, BURY ST LONDON EC3A 5AR | CRD | 00 | 00 | 1 | 00 |
| | | | | | | TOTAL | 100 |

Signed

Date

10/08/2007

KPIP UK LIMITED (IN ADMINISTRATION)

**JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT AS AT 11 AUGUST
2017**

Insolvency Act 1986 and Insolvency Rules (England and Wales) 2016

KPIP UK Limited - in Administration

Joint Administrators' Estimated Outcome Statement as at 15 August 2017

| | Notes | £ | Estimated Future Realisations | £ |
|--|-------|----------------|-------------------------------|-----------------------|
| ASSETS | | | | |
| UNCHARGED ASSETS | 1 | | | |
| Lease | | | Uncertain | |
| Rent and Service Charges | | | Uncertain | |
| Improvements | | | Uncertain | |
| Plant and Machinery | | | Uncertain | |
| Equipment | | | Uncertain | |
| Bank | | | Uncertain | |
| Pumping House Ltd | | | Uncertain | |
| Geoffrey Leaver Solicitors | | | Uncertain | |
| Harrow Law Practise | | | Uncertain | |
| | | | | Uncertain |
| EXPENSES | | | | |
| Joint Administrators' Fees | | (120,344.00) | | |
| Joint Administrators' Disbursements | | (724.00) | | |
| Agent's Fees | | (30,000.00) | | |
| Solicitor's Fees | | (20,000.00) | | |
| | | | | (171,068.00) |
| | | | | (171,068.00) |
| LIABILITIES | | | | |
| PREFERENTIAL CREDITORS - | | | | (2,077.15) |
| NET PROPERTY | | | | (173,145.15) |
| Available to Ordinary Unsecured Creditors | | | | (173,145.15) |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | | | | |
| Trade & Expense Creditors | | (380,663.36) | | |
| Director's Loan Account | | (1,338,984.00) | | |
| Kordia Loan | | (1,514,383.00) | | |
| District London Limited | | (220,000.00) | | |
| H M Revenue & Customs | | (18,199.31) | | |
| | | | | (3,472,229.67) |
| Estimated deficiency/surplus as regards non-preferential creditors | | | | (3,645,374.82) |
| Issued and called up capital | | | | |
| Ordinary Shareholders | | (10.00) | | (10.00) |
| TOTAL SURPLUS/(DEFICIENCY) | | | | (3,645,384.82) |

Notes

1. The estimated realisable value of the assets is currently shown as uncertain as the assets remain to be realised. The business and assets are currently being marketed by James Owen & Co Limited.

KPIP UK LIMITED (IN ADMINISTRATION)

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENT ACCOUNT FOR THE PERIOD 23 JUNE
2017 TO 15 AUGUST 2017**

KPIP UK Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

| | Statement of affairs £ | From 23/06/2017 To 15/08/2017 £ | From 23/06/2017 To 15/08/2017 £ |
|----------------------------|------------------------------|---------------------------------------|---------------------------------------|
| RECEIPTS | | | |
| Rent Payment Received | | 129,076.20 | 129,076.20 |
| | | <u>129,076.20</u> | <u>129,076.20</u> |
| PAYMENTS | | | |
| Rent | | 50,000.00 | 50,000.00 |
| Electricity Charges | | 6,800.00 | 6,800.00 |
| Service Charge | | 50,763.50 | 50,763.50 |
| | | <u>107,563.50</u> | <u>107,563.50</u> |
| Net Receipts/(Payments) | | <u>21,512.70</u> | <u>21,512.70</u> |
| MADE UP AS FOLLOWS | | | |
| VAT Receivable / (Payable) | | 21,512.70 | 21,512.70 |
| | | <u>21,512.70</u> | <u>21,512.70</u> |

Notes

1. The balance of funds in hand is held in an interest bearing account at Metro Bank.
2. Amounts in the above statement are shown exclusive of VAT unless specifically stated.
3. The above statement should be read in conjunction with the Joint Administrators' Proposal dated 15 August 2017.

Andrew Hosking and Simon Bonney
Joint Administrators
15 August 2017

KPIP UK LIMITED (IN ADMINISTRATION)

BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR QUANTUMA LLP

Time Entry - SIP9 Time & Cost Summary

6002022 - KPIP UK Limited
Project Code: PRE
From: 16/06/2017 To: 23/06/2017

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Admin & Planning | 0.00 | 7.00 | 7.50 | 0.00 | 14.50 | 3,937.50 | 271.55 |
| Case Specific Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cashiering | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Procedures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pre Appointment | 0.00 | 0.00 | 2.00 | 0.80 | 2.80 | 426.00 | 152.14 |
| Realisation of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 0.00 | 7.00 | 9.50 | 0.80 | 17.30 | 4,363.50 | 252.23 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

KPIP UK LIMITED (IN ADMINISTRATION)

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



Schedule of Current Charge Out Rates and Chargeable Disbursements

Staff Allocation & Support Staff

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

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

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

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

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

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

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

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

Subcontractors

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



Direct Expenses (Category 1 Disbursements)

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

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

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

Indirect Expenses (Category 2 Disbursements)

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

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

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

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

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

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



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

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

Professional Advisors

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

VAT

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

Creditors' Rights

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



Historic Charge Out Rates

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

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



Historic Disbursement Charging Rates

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

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

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

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

KPIP UK LIMITED (IN ADMINISTRATION)

BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 23 JUNE 2017 TO
15 AUGUST 2017

Time Entry - SIP9 Time & Cost Summary

6002022 - KPIP UK Limited
Project Code: POST
To: 15/08/2017

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|------------------------------------|-------------|--------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| Admin & Planning | 0.40 | 16.80 | 9.30 | 0.00 | 26.50 | 7,927.50 | 299.15 |
| Case Specific Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cashiering | 0.00 | 0.00 | 1.30 | 0.60 | 1.90 | 329.50 | 173.42 |
| Closing Procedures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.00 | 1.50 | 19.00 | 0.00 | 20.50 | 3,995.50 | 194.90 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pre Appointment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 0.00 | 5.20 | 0.80 | 0.00 | 6.00 | 2,090.00 | 348.33 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 0.40 | 23.50 | 30.40 | 0.60 | 54.90 | 14,342.50 | 261.25 |
| | | | | | | | |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

KPIP UK LIMITED (IN ADMINISTRATION)

INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL

a) The Joint Administrators' Fees Estimate

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

KPIP UK LIMITED - IN ADMINISTRATION

FEE ESTIMATE COVERING PERIOD OF ADMINISTRATION

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

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

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

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

| | |
|-----------------------------------|-----|
| Partner | £ |
| Director | 495 |
| Senior Manager | 400 |
| Manager | 375 |
| Assistant Manager | 275 |
| Senior Administrator | 265 |
| Administrator | 215 |
| Case Accountant | 175 |
| Support Staff/Executive Assistant | 125 |

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

ADMINISTRATION & PLANNING - Note 1

Description of the Work to be undertaken

| |
|--|
| 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 |
| Obtaining a specific penalty bond. |
| Setting up electronic case files and electronic case details on IPS. |
| General Administration - Dealing with all routine correspondence and emails relating to the case. |
| Case strategy & completing file reviews at 1 month, 3 months & 6 months. |
| VAT & Corporation Tax matters and returns. |

| Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|---|--|
| 160.00 | 41,120.00 | 257 |
| TOTAL | | |

CREDITORS - Note 2

Description of the Work to be undertaken

| | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|---|--|---|--|
| Employees - obtaining information from records and notifying them of transfer of employment | | | |
| Preparing the documentation and dealing with initial appointment notification to creditors | | | |
| Dealing with creditor correspondence, emails and telephone conversations. | | | |
| Dealing with Pension Schemes | | | |
| Committee Reporting | | | |
| Committee Meetings, Minutes & liaising with Committee members | | | |
| Final Reports | | | |
| Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice. | | | |
| Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advising where appropriate | | | |
| Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims | | | |
| Dealing with HMRC/RPO claims | | | |
| Retention of Title - issuing ROT questionnaires to creditors, reviewing ROT claims & corresponding with creditors | | | |
| Creditors' Meeting | | | |
| Secured Creditor Reports/Claims | | | |
| Annual/Progress Reports | | | |
| Interim Fee Report to Creditors | | | |
| SIP 16 Disclosure | | | |
| Para 49 Administrators' Proposals | | | |
| Para 53 Report of Initial Meeting/Deemed Approval Documentation | | | |
| TOTAL | 150.00 | 38,550.00 | 257 |

INVESTIGATIONS - Note 3

Description of the Work to be undertaken

| | Estimated time to be taken to undertake the work (Hrs) | Estimated value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|--|--|---|--|
| 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. | | | |
| CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act. | | | |
| Investigating & Pursuing Antecedent Transactions | | | |
| TOTAL | 10.00 | 2,570.00 | 257 |

REALISATION OF ASSETS - Note 4

Description of the Work to be undertaken

| |
|--|
| Freehold/Leasehold Property - dealing with assignments |
| Sale of Business - collecting deferred consideration |

| |
|----------------------------------|
| Cash at Bank |
| Arranging & Monitoring Insurance |

| | | | |
|--------------|--------|-----------|-----|
| TOTAL | 120.00 | 30,840.00 | 257 |
|--------------|--------|-----------|-----|

| |
|----------------------------|
| CASHIERING - Note 5 |
|----------------------------|

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

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

| | | | |
|--------------|-------|----------|--------|
| TOTAL | 22.00 | 4,994.00 | 227.00 |
|--------------|-------|----------|--------|

CLOSING PROCEDURES - Note 6

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

| |
|---|
| Filing final statutory returns at Companies House/Court |
|---|

| | | | |
|--------------|-------|----------|--------|
| TOTAL | 10.00 | 2,270.00 | 227.00 |
|--------------|-------|----------|--------|

OVERALL SUMMARY OF WORK CATEGORIES

| | Estimated total time to be taken to undertake the work (Hrs) | Estimated total value of the time costs to undertake the work (£) | Blended charge out rate to undertake the work (£/Hr) |
|------------------------------------|--|---|--|
| ADMINISTRATION AND PLANNING | | | |
| CREDITORS | 160.00 | 41,120.00 | 257.00 |
| INVESTIGATIONS | 150.00 | 38,550.00 | 257.00 |
| ASSET REALISATIONS | 10.00 | 2,270.00 | 257.00 |
| CASHIERING | 120.00 | 30,840.00 | 257.00 |
| CLOSING PROCEDURES | 22.00 | 4,994.00 | 227.00 |
| | 10.00 | 2,270.00 | 227.00 |
| OVERALL TOTAL | 472.00 | 120,344.00 | 254.97 |

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

Note 2: Creditors: Employees - All employees were transferred to the Purchaser following the completion of sale. The Joint Administrators notified the employees of this transfer. It is assumed that no further employee-related tasks will be required. Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions. Dividends - the office holder will undertake a security review prior to making distributions to the secured creditor. It is not anticipated that there will be distributions made to any other class of creditor. Nonetheless the Joint Administrators anticipate fielding various creditor queries as part of their ongoing duties.

Note 3: Investigations - The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

Note 4: Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. The majority of work to be undertaken relates to collection of deferred consideration from the sale of the Company's business and assets.

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

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

b) The Joint Administrators' Expenses Estimate

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

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

| Expenses Category 1 | Basis | Estimate of total |
|---|----------------|--------------------------|
| Legal costs may be incurred through the instruction of solicitors to provide advice on the sale of the business/assets and assist with the drafting of the necessary sale agreements | Time-costs/CFA | £20,000.00 |
| Agents and Valuers: James Owen & Co Limited has been instructed to provide a valuation and to assist with a sale of the company's business and assets | Time-costs/% | £30,000.00 |
| Advertising | | £477.00 |
| Bonding | | £135.00 |
| Total | | £50,612.00 |

| Expenses Category 2 | Basis | Estimate of total |
|---|---|--------------------------|
| Stationery / Photocopying / Postage | As per Quantuma LLP's disbursement policy at Appendix III | £100.00 |
| Anti-Money Laundering Identification Search | One off cost per case | £12.00 |
| Total | | £112.00 |

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

c) The Joint Liquidators' Fees Estimate

Whilst it is anticipated that the Company will move from Administration to CVL in order to pay a dividend to creditors, the timing of that move is currently unknown and therefore it is not known what work will remain to be carried out by the Joint Liquidators once the Administration is terminated.

Therefore, whereas no estimate has been provided for the Joint Liquidators' fees, these fees have been encapsulated in the Joint Administrators' Fee Estimate. If when the Company moves into Liquidation, further fees are required, the Joint Liquidators will approach creditors with a revised estimate.

d) The Joint Liquidators' Expenses Estimate

As with the above fee estimate, the Joint Liquidators' Expenses Estimate has been included in the overall expenses estimate above. If the expenses exceed this estimate creditors will be informed of the reasons and a new estimate will be provided.

KPIP UK LIMITED (IN ADMINISTRATION)

NOTICE OF DECISION PROCEDURE / VOTING FORM / PROOF OF DEBT

NOTICE OF DECISION PROCEDURE

Company Name: KPIP UK Limited (In Administration) ("the Company")

Company Number: 06818869

In the High Court of Justice, Chancery Division, Companies Court, Number 4674 of 2017

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrators of the Company, Andrew Hosking and Simon Bonney, of Quantuma LLP, Vernon House, 23 Sicilian Avenue, London, WC1A 2QS (020 3856 6720), who was 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 approval of the Joint Administrators' Statement of Proposals
1. The establishing of a Creditors' Committee, if sufficient creditors are willing to be members of a Committee¹
2. The basis of the Joint Administrators' fees
3. The approval of the Joint Administrators' Category 2 disbursements
4. The approval of the pre-Administration costs
5. 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 LLP, Vernon House, 23 Sicilian Avenue, London, WC1A 2QS

By email to: londonvoting@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, 31 August 2017.

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

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

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

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

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

Signed:


Andrew Hosking
Joint Administrator

Dated:

15 August 2017

VOTE BY CORRESPONDENCE

KPIP UK Limited (in Administration)

Name of Creditor: _____

Address: _____

Decisions:

| | | |
|---|--|-------------------|
| 1 | That the Joint Administrators' Statement of Proposals be approved. | *For / Against |
| 2 | That a Creditors' Committee be established if sufficient creditors are willing to be members of a Committee. ² | *For / Against |
| 3 | That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. | *For / Against |
| 4 | That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's summary. | *For / Against |
| 5 | That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved. | *For / Against |
| 6 | 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 31 August 2017, by:

Post: Quantuma LLP, Vernon House, 23 Sicilian Avenue, London, WC1A 2QS

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

² Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.

PROOF OF DEBT - GENERAL FORM

KPIP UK Limited (In Administration)

Date of Administration: 23 June 2017

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

KPIP UK LIMITED (IN ADMINISTRATION)

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: KPIP UK Limited (In Administration) ("the Company")

Company Number: 06818869

In the High Court of Justice, Chancery Division, Companies Court, Number 4674 of 2017

This Notice is given under Rule 3.39 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Andrew Hosking and Simon Bonney, of Quantuma LLP, Vernon House, 23 Sicilian Avenue, London, WC1A 2QS, 020 3856 6720, who was appointed by the directors of the Company.

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

By post to: Quantuma LLP, Vernon House, 23 Sicilian Avenue, London, WC1A 2QS

By email to: londonvoting@quantuma.com

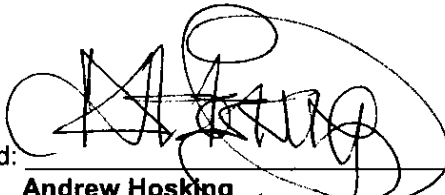
Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 23:59 on 31 August 2017

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

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

Signed:


Andrew Hosking
Joint Administrator

Dated:

15 August 2017

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

KPIP UK Limited (In Administration)

On behalf of (name of Creditor): _____

,

at (address of Creditor): _____

,

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

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

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

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

Yes / No