

AM03

Notice of administrator's proposals



Companies House

TUESDAY



A23 *A8ASØGOØ* #37
30/07/2019
COMPANIES HOUSE

1 Company details

Company number 07054349

Company name in full Made In Mind Limited

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

2 Administrator's name

Full forename(s) Andrew

Surname Poxon

3 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M3 3BZ

Country

4 Administrator's name

Full forename(s) Julien

Surname Irving

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

5 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester


County/Region

Postcode M3 3BZ

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals		
	<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals		
7		Sign and date		
Administrator's Signature	Signature	<input checked="" type="checkbox"/> 	<input checked="" type="checkbox"/>	
Signature date		^d 2 ^d 6	^m 0 ^m 7	^y 2 ^y 0 ^y 1 ^y 9

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	Zack Minshull
Company name	Leonard Curtis
Address	Tower 12, 18/22 Bridge Street
	Spinningfields
	Manchester
Post town	
County/Region	
Postcode	M 3 3 B Z
Country	
DX	
Telephone	0161 831 9999



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

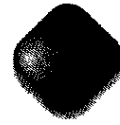
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**MADE IN MIND LIMITED
(IN ADMINISTRATION)**

Registered Number: 07054349

Court Ref: CR-2019-MAN-000504

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD)

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 26 July 2019

Date report deemed to be delivered to creditors: 30 July 2019

Leonard Curtis contact details:

**Tower 12, 18/22 Bridge Street, Spinningfields,
Manchester M3 3BZ**

Tel: 0161 831 9999 Fax: 0161 831 9090

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: Manchester.meetingreq@leonardcurtis.co.uk

Ref: M/20/ZM/MA57K/1040

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**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS**

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Julien Irving and I as Joint Administrators ("the Joint Administrators") of Made In Mind Limited ("the Company") on and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the administrators to perform their functions with the objective of:
- Rescuing the company as a going concern; or
 - Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- That the company has sufficient property to enable each creditor of the company to be paid in full; or
 - That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
 - That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors. A dividend is, however, expected to be paid to the preferential creditors. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
 - A statement of the requesting creditor's claim, together with:
 - A list of the creditors concurring with the request and the amount of their respective claims or values; and
 - Confirmation of concurrence from each creditor concurring. OR
 - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.

The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) under Court reference CR-2019-MAN-000504.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from 55 High Street, Marlow, Buckinghamshire, SL7 1BA, to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ on 26 June 2019. The registered number is 07054349. The Company traded as its registered name.
- 2.4 The Company traded from premises at 55 High Street High Street, Marlow, Buckinghamshire, England, SL7 1BA.
- 2.5 The Company's Directors and secretary are:

Name	Role	Date Appointed
Matthew Judkins	Company secretary	20 December 2009
Matthew Judkins	Director	20 December 2009
Phillip Cox-Hynd	Director	4 May 2017

- 2.6 The Company's authorised Share Capital is £929,333.88. The issued Share Capital comprises of 1,460,406 shares with a nominal value of £146.04, as detailed below.

Class of share	Amount paid up (£)	Number of shares	Aggregate nominal value
Ordinary	0.01p	681,292	£68.13
Ordinary	0.225p	450,000	£45.00
Ordinary	0.5p	100,000	£10.00
Ordinary	1.0p	28,671	£2.87
Ordinary	£2.94	64,353	£6.43
Ordinary	£3.67	136,090	£13.61
Total		1,460,406	£146.04

- 2.7 We understand the remainder of the authorised Share Capital consists of Share Premium totalling £929,187.84. The shares being owned as detailed at Appendix K. The largest shareholders are Min-Kyu Choi (35.98%) and Matthew Judkins (22.68%).
- 2.8 According to the information registered at Companies House, the Company has no registered charges.
- 2.9 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated on 22 October 2009 and commenced to trade immediately.
- 3.2 The Company has developed a foldable plug product, which was licensed to a connected company, Made in Mind MU Limited ("MU"). The Company holds various patents and trademarks in relation to the plug and the 'MU' name
- 3.3 The Company manufactured products through a Chinese supplier and employed 1 member of staff.

- 3.4 The Company was funded by way of Share Capital, totalling c£929k. In addition, further loans were provided by a number of Shareholders, totalling over £250k.
- 3.5 More recently funding was received by way of loans from MU, which were provided from trading profits. As at 31 December 2018, a sum of c£315k was due to MU. The Company has been dependent on this funding.
- 3.6 The turnover and profit/loss position of the Company since 2017 is detailed below:

Year Ended	Turnover	Trading Profit/(Loss)
31 December 2017	£34k	(£125k)
31 December 2018	£21k	(£205k)

- 3.7 Management account information provided for the period ended 7 May 2019 details that turnover increased to c£45k for the period (annualised to c£135k) and losses of c£36k had been incurred (annualised to c£108k).
- 3.8 The Company had previously planned to licence or sell the technology to a major electronics company however whilst discussions were held, none were interested in progressing further. The Company subsequently decided that a subsidiary, MU, would attempt to establish a retail market for the products.
- 3.9 The Company entered into discussions with an American company with a view to launching the product in USA. The Director has since become aware that the idea / product has been incorporated into another product that the American company manufactures. The Joint Administrators will take steps to investigate whether there is a potential claim against the American company.
- 3.10 Given the losses and lack of funding available, the Company had fallen behind in its obligations to HMRC who issued a demand for payment of the sum due, c£53k, on 26 March 2019. HMRC advised they would proceed to enforcement action potentially by way of winding up proceedings.
- 3.11 As detailed above, the Company was dependent on funding from MU, however MU had fallen into arrears to pay the Chinese manufacturer and production had ceased. MU was under financial pressure and was unable to continue to provide working capital to the Company.
- 3.12 The Director approached Leonard Curtis for initial advice in March 2019 on both MIM and MU given the demand from the Chinese company to MU.
- 3.13 An initial meeting was held with Leonard Curtis and the Directors on 11 March 2019 where insolvency advice was provided.
- 3.14 On 26 March 2019, HMRC wrote to the Company to notify that if the sums due to it, totalling c£53k, were not paid by 1 April 2019, then HMRC would proceed to issue a Winding Up Petition. A conference call was held between Leonard Curtis and the Directors on 4 April 2019 with regards the available options.
- 3.15 It was concluded that the Company was insolvent in accordance with S123 of the Insolvency Act 1986 in so far as the Company could not pay its debts as and when they fell due, evidenced by the HMRC arrears, and without an injection of capital, which was considered unlikely, it appeared that it had no alternative other than to consider a formal insolvency process.
- 3.16 It was considered that Administration was the most suitable insolvency procedure for the Company as it would best allow the possibility of selling the business as a going concern. It was considered that a sale, without the need for ongoing trading whilst in Administration, would be preferable to allow maximum value to be realised from the Company assets, particularly Goodwill and Intellectual Property, to minimise the professional costs of the Administration. On 28 May 2019, the Directors instructed Leonard Curtis to assist in placing the Company into Administration.
- 3.17 Champion Accountants LLP ("Champion"), Chartered Accountants, were instructed to provide a valuation of the Company's Goodwill and Intellectual Property

- 3.18 Cerberus Asset Management ("CAM"), RICS registered valuers, were instructed to provide a valuation of the Company's physical assets, which was made up of tooling held in China. CAM also assisted with the marketing of the business and assets.
- 3.19 Following the formal instruction to assist in placing the Company into Administration, the business and assets were advertised for sale on the Leonard Curtis website and CAM's website from 28 May 2019. A discreet advert requested indicative offers by 5pm on 31 May 2019. The length of the marketing period was determined by the requirement to find a purchaser as soon as possible given the threat of enforcement action from HMRC and lack of available capital. Please note the advert remained on the Leonard Curtis and CAM's website until the sale completed on 11 June 2019.
- 3.20 CAM has significant experience in managing asset sales. Marketing the opportunity on CAM's website would generate the greatest number of web traffic hits in the short time period available.
- 3.21 Leonard Curtis are a leading national business solutions practice and actively market business opportunities through its 'businesses for sale' section of its website. Advertising on Leonard Curtis' website exposed the business to a range of potential purchasers with the interest and ability to complete a sale.
- 3.22 As confirmed in the Initial Letter to Creditors (Copy enclosed at Appendix J), an expression of interest was received from a connected Company.
- 3.23 Two third party expressions of interest were received during the marketing period and both were issued with Non-Disclosure Agreements ("NDA"). Upon receipt of the signed NDA's, then these interested parties were provided with the relevant information. No offers were received.
- 3.24 Matthew Judkins, a Director of the Company expressed an interest in purchasing the business and assets via a connected limited company, and an offer of £25,000 was received from Discovery Club Limited (CRN: 11882762) ("the Purchaser"). The Purchaser is connected to the Company pursuant to sections 249 and 435 of The Insolvency Act 1986 by virtue of the fact Matthew Judkins, the sole Director and a Shareholder of the Purchaser, is a Director and a Shareholder of the Company.
- 3.25 No other offers were received and the offer from the Purchaser was recommended for acceptance by Champion and CAM, independent agents.
- 3.26 The Director filed a Notice of Appointment at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 11 June 2019, appointing A Poxon and J Irving as Joint Administrators. The sale of the business was completed shortly thereafter.
- 3.27 Andrew Poxon and Julien Irving are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of the Insolvency Schedule B1 to the Act, the function of the Joint Administrators may be exercised by either or both, acting jointly or alone.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the years ended 31 December 2017, 31 December 2018, and the period 1 January 2019 to 7 May 2019 are detailed below:

	Mgmt Period ended 07/05/2019 £'000	Signed Year ended 31/12/2018 £'000	Signed Year ended 31/12/2017 £'000
Turnover	45	22	34
Other income	-	-	95
Costs of raw materials and consumables	-	(13)	(3)
Staff costs	(10)	(33)	(49)
Depreciation and other amounts written off assets	-	(41)	(37)
Other charges	(71)	(175)	(197)
Taxation	-	35	32
Profit (Loss) for the year	<u>(36)</u>	<u>(205)</u>	<u>(125)</u>

- 4.2 The balance sheets as at 31 December 2017, 31 December 2018 and 7 May 2019 are detailed below:

	Mgmt 07/05/2019 £'000	Signed 31/12/2018 £'000	Signed 31/12/2017 £'000
Fixed Assets			
Tangible Assets	<u>161</u>	<u>161</u>	<u>142</u>
Current Assets			
Deferred tax	176	n/k	n/k
Corporation tax	<u>35</u>	<u>n/k</u>	<u>n/k</u>
	211	211	208
Creditors: Amounts Falling due within one year	<u>(575)</u>	<u>(539)</u>	<u>(334)</u>
Net Current Assets/(Liabilities)	<u>(364)</u>	<u>(328)</u>	<u>(126)</u>
Total Assets less Current Liabilities	(203)	(167)	16
Creditors: Amounts falling due after more than year	(385)	(385)	(363)
Net Assets	<u>(588)</u>	<u>(552)</u>	<u>(347)</u>
Represented by			
Called up share capital	929	n/k	n/k
Profit and Loss account	<u>(1,517)</u>	<u>n/k</u>	<u>n/k</u>
Shareholders' Funds	<u>(588)</u>	<u>(552)</u>	<u>(347)</u>

- 4.4 The accounts provided for the years ended 31 December 2017, and 31 December 2018 do not detail a split for Current Assets. The Joint Administrators will liaise with the Directors and the Company's accountants with a view to obtaining this detail and identifying any further possible assets.

- 4.5 It should be noted that the accounts for the period ended 7 May 2019 have been taken from management accounts and should not be taken as agreed.

Statement of Affairs

- 4.6 The Directors are required to lodge a statement of affairs as at 11 June 2019 which has to be filed with the Registrar of Companies. This document has not yet been received. We anticipate that the Director may require some assistance with the preparation of this document and a sum of £1,500 has been estimated as the cost of instructing an accountant to provide assistance in this regard. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made in the estimated financial position for costs and expenses of realisation, the costs of the Administration and any Corporation Tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

Secured Creditor

- 4.7 There are no secured creditors in this instance.

Prescribed Part

- 4.8 As the Company has no unsatisfied post-Enterprise Act charges, there will be no requirement to set aside a prescribed part in this case.

Preferential Claims

- 4.9 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 4.10 The 1 employee transferred to the Purchaser upon completion of the sale pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").
- 4.11 However, we understand that there are arrears relating to Student Loan repayments for the period December 2018 to May 2019. These monies rank as unpaid wages and are therefore a preferential claim.
- 4.12 Preferential claims are estimated at £578 for the purposes of this report.
- 4.13 It is anticipated that realisations will be sufficient to enable a distribution to be made to preferential creditors.

Unsecured Claims

- 4.14 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

Receipts and Payments

- 4.15 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

Sale of Business and Assets

- 5.1 Prior to and upon appointment, the administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:
- Preservation of Goodwill - a pre-packaged sale would allow for a sale of Goodwill, which was unlikely to have been available if the Company entered into Liquidation. It was critical in maximising realisations from the Goodwill, that there was minimal disruption. Trading the business during Administration would not have guaranteed an improved offer, and may, conversely have devalued Goodwill;
 - Maximise asset realisations - enhanced realisations for the Company's physical assets has been achieved compared to anticipated realisations in a Liquidation scenario. The tooling owned by the Company is held by the Chinese manufacturer. In a Liquidation scenario, the supplier is required to be given notice of the intended liquidation and therefore may have taken steps to seize assets prior to any Liquidation. A sale of the assets, by way of a pre-packaged sale, provided the best opportunity to recover the goods and maximise realisations; and
 - Mitigation of employee claims and preservation of employment for staff - a pre-packaged sale allowed for the member of staff to transfer employment to the Purchaser. This has mitigated claims for Holiday Pay, Redundancy and Notice Pay which would have been due should the employee have been made redundant on cessation of trade.
 - In the opinion of our Agents and Advisors, a sale of the business and assets would result in a better outcome for creditors due to the enhanced level of asset realisations available in an in-situ sale rather than on a forced sale basis.
- 5.2 Full details of the marketing undertaken and the ultimate business sale have been circulated to Creditors in the Joint Administrators' Initial Letter to Creditors pursuant to the requirements of Statement of Insolvency practice 16. A copy of which can be found at Appendix J.
- 5.3 An offer of £25,000 was made by Discovery Club Limited (CRN: 11882762) ("the Purchaser"). Following advice from our appointed Agents, this offer was accepted and the business sale was concluded on 11 June 2019.
- 5.4 Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with the Initial notification to creditors. In this instance, the Proposals were not sent out at the same time as the initial notification as the Joint Administrators sought to appraise potential assets not included within the sale of business and assets to the Purchaser. As a result of the review, the Joint Administrators identified a possible Tax Refund. In order to assess whether there may be any negotiable value, Tax advice will be obtained. Given the indebtedness to HMRC it is unclear at this stage whether a realisation may be achieved or whether the outcome for creditors may change.
- 5.5 The sales consideration of £25,000 was apportioned as follows:

Asset	£
Business Information, Contracts, Goodwill, Seller's Records and Intellectual Property	15,000.00
Plant and Machinery	10,000.00
Total	<u>25,000.00</u>

- 5.6 The sales consideration in the sum of £25,000 is payable as follows:

Date	£
On completion	3,571.43
On or before 30 July 2019	3,571.42
On or before 30 August 2019	3,571.43
On or before 30 September 2019	3,571.43
On or before 30 October 2019	3,571.43
On or before 30 November 2019	3,571.43
On or before 30 December 2019	3,571.43
Total	<u>25,000.00</u>

- 5.7 I can confirm that the sales consideration due upon completion of the sale has been received by the Joint Administrators.

- 5.8 The deferred element has been secured by way of a Personal Guarantee provided by Matthew Judkins.

Cash at Bank

- 5.9 The Company held a bank account with HSBC Bank Plc ("HSBC"). The Director has advised that at the date of Administration, the account was in credit in the sum of c£3,669. We have written to HSBC and expect the funds to be remitted to the Administration estate shortly.

Tax Refund

- 5.12 The Joint Administrators conducted a review of Company's management accounts for the period 1 January 2019 to 7 May 2019. The accounts detail assets of 'Deferred Tax' and 'Corporation Tax' totalling £211k.
- 5.13 From a review of previously filed accounts, the Company has historically received refunds of tax each year.
- 5.14 Given the Company was loss making in the period since the last filed accounts, albeit at a much lower level, there may be a potential tax refund due to the Company. However, HMRC have outstanding liabilities. Any available refund may be subject to setoff. The timing and quantum of any recovery is difficult to confirm at this time.
- 5.15 The Joint Administrators will make enquiries with HMRC as to the possibility of any reclaim, and if appropriate, instruct accountants to assist in submission of the claim.

Investments

- 5.18 The Company holds the 100% shareholding of MU. The Company accounts detail the shares with a Book Value of £100.
- 5.19 MU was placed into Administration on 11 June 2019. Consequently, the shares have no value.

Books and Records

- 5.20 The Joint Administrators have collected the Company's records and these are now held in a secure storage facility operated by Independent agents, Auctus Limited t/a Charles Taylor and Cerberus Asset Management ("CAM"). It is a statutory requirement that the Office Holders retain the Company records and securely destroy them one year following the dissolution of the Company.

Professional Advisors and Subcontractors Used

- 5.22 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Knights Plc ("Knights")	Legal advice	Time costs
Cerberus Asset Management ("CAM")	Asset valuation advice	Time costs
Champion Accountants ("Champion")	Goodwill valuation advice	Fixed fee

Knights

- 5.23 The Joint Administrators instructed Knights solicitors, due to their long standing history of assisting insolvency office holders with insolvency matters.
- 5.17 Knights was instructed to provide the following:
- Prepare the necessary documentation with respect to placing the Company into Administration; and
 - Prepare the Sale and Purchase Agreement and the Personal Guarantee with respect to the sale of the Company's business and assets to the Purchaser.

CAM

- 5.24 CAM has extensive sector specific product knowledge and experience in managing asset sales. CAM has a longstanding history of assisting insolvency practices with business and asset sales. They are supported by a team of RICS registered professionals who also specialise in security, removal and disposal of assets. CAM, were instructed to review the Company's physical assets comprising Plant and Machinery and Tooling. CAM also assisted with the marketing of the business and assets.

Champion

- 5.25 Champion, Chartered Accountants, were instructed to provide the following:
- A valuation report and indicative value of the Company's Goodwill;
 - Advice in relation to the value and sale of the Goodwill; and
 - Recommending a sale of Goodwill to the Purchaser.
- 5.26 Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
 - (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved);
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The first objective is not capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective is unlikely to be achieved as there is little prospect of a dividend to unsecured creditors.
- 6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. This objective is likely to be achieved as it is anticipated that a distribution will be made to preferential creditors.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:
- the preferential creditors of the Company.
- 8.3 We do not believe that an extension to the administration will be necessary in this case.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

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

- 9.2 Time charged and expenses incurred by the Joint Administrators, their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	An assessment of the financial position with a view to establishing the appropriate insolvency procedure. Providing insolvency advice to the Director and Company on the available options, instructing valuation agents, marketing the company, negotiating and agreeing the sale of business and assets and dealing with all appointment formalities.	£7,654.00	Nil	n/a	£7,654.00
CAM	Valuation of Plant & Machinery and assistance with marketing campaign by way of uploading the flyer onto their website and monitoring any interest received (if any).	£1,500.00	Nil	n/a	£1,500.00
Knights	Dealing with sale contract and appointment documentation.	£2,000.00	Nil	n/a	£2,000.00
Champion	Valuation of Goodwill.	£1,000.00	Nil	n/a	£1,000.00
	Total	12,154.00			£12,154.00

- 9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £7,654.00 have been incurred which represents 24.1 hours at a rate of £317.59.

Work Undertaken By Leonard Curtis

- 9.4 In the period prior to Administration, Leonard Curtis provided insolvency advice to the Company and carried out an assessment of its financial position with a view to establishing the appropriate insolvency procedure for the Company.
- 9.5 The Joint Administrators evaluated the Company's financial position and advised that the Company was insolvent as it was unable to pay its liabilities as and when they fell due.
- 9.6 Subsequently it was advised that Administration was the most suitable form of insolvency procedure and the Joint Administrators assisted with formulating an administration strategy.
- 9.7 The work undertaken included but was not limited to:
- Advising the Company on which insolvency process would be the most appropriate;
 - Preparing and reviewing the optimal insolvency strategy;
 - Attending meetings with the management of the business;
 - Liaising with the Director with regards to the strategy;

- Obtaining the Company's available financial information;
- Conducting a search for the Company's information available at Companies House;
- Conducting conflict checks, AML, completion of anti-bribery and vulnerable persons checklists;
- Online pensions checks for the Company pension scheme;
- Marketing the business by way of advertising on our website and the website of our instructed agents;
- Monitoring any responses and interest received;
- Issuing of sale information to interested parties;
- Negotiating the sale of the business;
- Commence drafting the SIP16 letter sent to creditors following our appointment;
- Liaising with Knights in respect of preparing and reviewing sale documentation; and
- Liaising with Knights with regards to the appointment documents.

Work Undertaken by CAM

9.8 CAM were instructed to review the Company's physical assets, made up of Plant and Machinery, and to market the business and assets. The work carried out included:

- Marketing of the business and assets;
- Liaising with management to obtain details of physical assets;
- Review of the Company's physical assets; and
- Desktop valuation of physical assets and recommendation as to sale.

Work Undertaken by Knights

9.9 Following the decision to place the Company into administration, costs were incurred by Knights in dealing with the formalities associated with placing the Company into administration, which included:

- Checking if any winding up petitions had been presented in relation to the Company;
- Drafting the appointment documentation and filing of the same in the High Court of Justice Business and Property Courts in Manchester;
- Preparing and executing the required sales documentation;
- Drafting the documentation in respect of the Personal Guarantee; and
- Providing general legal advice in respect of the Joint Administrators' appointment.

Work undertaken by Champion

9.10 Champion were instructed by the Joint Administrators to prepare a valuation in respect of the Goodwill of the Company. The work carried out included:

- Review of the filed accounts for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 and management accounts for the period ended 7 May 2019;
- Discussion with Directors as regards the business history; and
- Goodwill valuation and recommendation for sale.

9.8 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the preferential creditors to this resolution.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.
- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the preferential creditors and the outcome will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the preferential creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:
- Details of the work that the Joint Administrators and their staff propose to undertake;
 - The hourly rate or rates that the Joint Administrators and their staff propose to use; and
 - The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £8,639.00 have been incurred to date which represents 40.6 hours at an average rate of £317.59 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £50,900.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to preferential creditors for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.

- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Zack Minshull of this office on 0161 831 9999.

Statement of Likely Expenses

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:
- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
 - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the preferential creditors in the same way as fees and the preferential creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

Further Updates

- 10.11 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.
- 11.2 The Estimated Outcome Statement assumes the following:
- a) That asset realisations are in line with those estimated at Appendix B;
 - b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
 - c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.
- 11.3 In summary:
- Secured creditors – There are no secured creditors.
 - Preferential creditors – It is anticipated that there will be sufficient realisations to enable a distribution to the preferential creditors.
 - Unsecured creditors – It is considered unlikely that there will be sufficient realisations to enable a distribution to the unsecured creditors.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

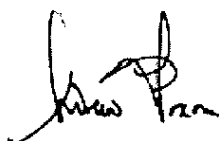
- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the preferential creditors. The appropriate class of creditor will be contacted directly in this respect.

13 CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Should you have any queries or require any further clarification please contact Zack Minshull at my office, **in writing**. Electronic communications should also include a full postal address.

for and on behalf of
MADE IN MIND LIMITED



ANDREW POXON
JOINT ADMINISTRATOR

Andrew Poxon is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 8620 and Julien Irving is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 13092

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 11 JUNE 2019

	Notes	Book value £	In Administration £
Assets not specifically pledged			
Business Information, Contracts, Goodwill, Seller's Records and Intellectual Property	1	54,141	15,000
Plant & Machinery	2	189,974	10,000
Investments	3	100	Nil
Tax Refund	4	n/k	n/k
Cash at Bank	5	3,669	3,669
		<u>247,884</u>	<u>28,669</u>
Preferential creditors	5	n/a	(578)
Net property available for prescribed part		<u>247,884</u>	<u>28,901</u>
Prescribed part	6	n/a	n/a
Available for floating charge creditor		247,884	28,901
None		<u>n/a</u>	<u>n/a</u>
Surplus as regards floating charge holder		247,884	28,901
Add back prescribed part	6	<u>n/a</u>	<u>n/a</u>
Available for unsecured creditors		<u>247,884</u>	<u>28,901</u>
Unsecured creditors			
H M Revenue & Customs	7	(66,646)	(66,646)
Connected Company creditors	8	(318,403)	(318,403)
Shareholders Loan Account	9	(269,750)	(269,750)
Trade and expense creditors	10	(81,113)	(81,113)
Total value of unsecured creditors		<u>(735,912)</u>	<u>(735,912)</u>
Estimated deficiency as regards unsecured creditors		<u>(488,028)</u>	<u>(707,011)</u>

NOTES TO ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Business Information, Contracts, Goodwill, Seller's Records and Intellectual Property

The book value of the Goodwill has been taken from the latest available management accounts as at 7 May 2019.

Champion advised that the Goodwill had a value of between £1 and £100.

A sale of the Goodwill was completed on our appointment for £15,000.

2. Plant & Machinery

The book value of the Plant and Machinery has been taken from the latest management accounts as at 7 May 2019.

CAM advised that they were unable to apply any value to these assets on the basis that recovering the tooling from China would be disproportionate to eventual realisations.

A sale of the Plant and Machinery was completed on our appointment for £10,000.

3. Investments

The Company holds a 100% Shareholding in MU. The Company accounts confirm that the Shares hold a book value of £100.

MU was placed into Administration on 11 June 2019. Consequently, the shares have no value.

4. Tax Refund

The book value of the Tax Refund has not yet been ascertained. Whilst figures for Corporation Tax and Deferred Tax assets have been produced, the accounts have not been written up to the date of Administration.

However, the Joint Administrators anticipate that a refund may be available to the Company, subject to any liabilities that may be offset. Consequently, the Estimated to Realise figure is unknown at this stage.

5. Cash at Bank

The Company held a bank account with Lloyds. At the date of appointment, the account balance was £3,669.49. The Joint Administrators have requested the credit balance.

6. Preferential Creditors

As confirmed at 4.9 in this report, we understand that there are arrears relating to Student Loan repayments for the period December 2018 to May 2019. These monies rank as unpaid wages and are therefore a preferential claim.

Preferential claims are estimated at £578 for the purposes of this report.

7. Prescribed Part

As the Company has no unsatisfied post-Enterprise Act charges, there will be no requirement to set aside a prescribed part in this case.

8. H M Revenue & Customs ("HMRC")

The liability to HMRC has been taken from the company records and should not be regarded as an agreed amount.

9. Connected Company creditors

This value has been taken from the company records and should not be regarded as agreed amounts.
The Company records detail that a sum of £318,403 is owed to MU in respect of loans to facilitate trading.

10. Shareholders Loan Account

The Company received funding by way of loans from Shareholders.
This value has been taken from the company records and should not be regarded as an agreed amount.

11. Trade and Expense Creditors

This value has been taken from the company records and should not be regarded as an agreed amount.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address					Per Statement of Affairs
HMRC - VAT	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	£63,256.00
HMRC - PAYE	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	£1,648.00
HMRC - NI	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	£1,246.00
HMRC - Student Loan	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	£496.00
Harley Young CMS Ltd	Gravel Hill	Henley on Thames	Oxfordshire		RG9 2EF	£7,200.31
First Thought IP	New broad Street House	New Broad Street	London		EC2M 1NH	£26,263.35
Nemko	Chelsea Fields Industrial Estate	278 Western Road	London	Mitcham	SW19 2QA	£8,820.00
Pinsent Masons	Crown Place	Earl St	Hackney7	London	EC2A 4ES	£4,620.30
M Judkins (Studio 55)	55 High Street	Marlow	Buckinghamshire		SL7 1BA	£32,000.00
TNT	PO BOX 4	Ramsbottom	Bury	Lancashire	BL8 9AR	£855.00
Made in Mind Mu	55 High Street	Marlow	Buckinghamshire		SL7 1BA	£318,403.00
Groom Wilkes & Wright	The Haybarn	Upton End Business Park	Meppershall Road	Hertfordshire	SG5 3PF	£1,354.27
Alexander Easton	Cliff House	South Parks	Sevenoaks	Kent	TN13 1EL	£20,750.00
Charles Stone	7 Hillbrow	Richmond Hill	Richmond		TW10 6BH	£20,750.00
Mark Whittaker	The Pines	11B Spencer Road	Canford Cliffs	Poole	BH13 7ET	£20,750.00
James Light	51 Radley House	Gloucester Place	London		NW1 6BU	£20,750.00
Christopher Craig-Wood	18 Paultons Square	London			SW3 5AP	£20,750.00
Steve Seaman	31 Cholmeley Crescent	Highgate	London		N6 5EX	£10,375.00
Mark Tracey	Gentlehurst	Linefold Road	Fernhurst	West Sussex	GU27 3JJ	£20,750.00
Charles Mullinder	2nd Floor	12 Girdlers Road	London		W14 0PU	£20,750.00
Sarah Napper	17 Coates Avenue	Wandsworth	London		SW18 2TH	£20,750.00
Alyn Morgan	1 St Josephs Court	Woodlands Drive	Rawdon	Leeds	LS19 6JZ	£20,750.00

Made In Mind Limited - In Administration

Damian Hopley	12 Dancer Road	London			SW6 4DX	£20,750.00
Russ Mould	19 Claremont Terrace	Brighton			BN1 6SH	£31,125.00
Steve Lister	Beysterveld 221	Amsterdam			1083 KD	£20,750.00
1 employee with a total preferential claim of						£578.00
Total						£736,490.23

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM 11 JUNE 2019
TO 26 JULY 2019**

	Statement of Affairs £	Received to date £
RECEIPTS		
Business Information, Contracts, Goodwill, Seller's Records and Intellectual Property	15,000	2,142.86
Plant & Machinery	10,000	1,425.57
Cash at Bank	3,669	-
Bank Interest	-	0.07
Tax Refund	n/k	-
		<u>3,571.50</u>
PAYMENTS		
None		-
		<u>-</u>
BALANCE IN HAND		<u><u>3,571.43</u></u>

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total		Average hourly rate £
	Units No	Cost £	
Strategy and purpose evaluation	149	6,003.50	402.92
Preparation of documents	92	1,650.50	179.40
	241	7,654.00	317.59

APPENDIX D (CONTINUED)

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

The Joint Administrators held discussions with the Company and instructed agents to establish the Company's financial position and to determine the most appropriate strategy for the Company and its creditors.

Strategy & Purpose Evaluation

Significant time has been spent in relation to the strategy and purpose evaluation, this included but was not been limited to:

- Meeting initially with the Director to ascertain all pertinent issues;
- Planning the course of the administration and the best strategy to maximise realisations.
- Obtaining the Company's relevant financial information;
- Formulating and advertising a flyer to advertise the business for sale;
- Liaising with the Purchaser with regards to the offer received;
- Instructing and liaising with agents with regards to the proposed administration; and
- Liaising with Knights with regards the proposed administration.

Preparation of Documents

Time incurred in relation to this category of work has involved the following:

- Drafting a letter of engagement and ethical / conflict review paper work for review;
- Printing off and reviewing the sales documentation and arranging for the signing of the documents;
- Verifying the Director and Shareholder's identity in compliance with money laundering obligations;
- Setting up of the case file and completion of the pre-appointment requirements; and
- Drafting the SIP16 letter sent to creditors following our appointment.

APPENDIX E

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO 28 JUNE 2019

	FEES ESTIMATE			INCURRED TO 28 JUNE		
	Total			Total		
	Units	Cost	Average hourly rate	Units	Cost	Average hourly rate
	No	£	£	No	£	£
Statutory and review	209	6,486.50	310.36	12	180.00	150.00
Receipts and payments	109	2,779.50	255.00	3	45.00	150.00
Insurance, bonding and pensions	24	713.00	297.08	1	36.50	365.00
Assets	284	10,126.50	356.57	5	205.00	410.00
Liabilities	394	12,527.50	317.96	86	2,992.50	347.97
General Administration	127	3,601.00	283.54	15	225.00	150.00
Appointment	163	3,665.50	224.88	82	1,665.00	203.05
Planning & Strategy	42	1,499.50	357.02	-	-	-
Post Appointment Creditors Decisions	244	5,794.00	237.46	202	3,290.00	162.87
Investigations	112	3,707.50	331.03	-	-	-
	1,708	50,900.50	298.01	406	8,639.00	212.78

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews - LC Compliance Department will spend time during the Administration reviewing the Joint Administrators' case files. This will involve reviewing all correspondence, statutory documentation, creditor claims, asset realisations and procedures undertaken by the Joint Administrators before and upon their appointment. A report encompassing details of the review will subsequently be produced which is likely to contain recommendations to the Joint Administrators to ensure that all matters are being progressed and that adherence to statutory requirements continue to be met. Senior members of LC are likely to spend time reviewing the outcome of the report. Time will be incurred by the case administrators and managers conducting work recommended by the Compliance department. As the case progresses the case administrator will as a minimum carry out six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting - Time recorded to this category may include a degree of case planning. This is likely to involve a number of internal meetings in order to ensure that the purpose of the Administration is being achieved and that the actions taken by the Joint Administrators are in accordance with the duty to act in the interest of the company, its creditors and stakeholders;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

To 28 June 2019, time has been spent reviewing the case file since appointment and case planning in order to ensure that the actions taken by the Joint Administrators are in accordance with the duty to act in the interest of the Company, its creditors and stakeholders.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports - As the case is anticipated to last for a period of 12 months it is anticipated that in addition to the R&P included in this report there will be a further two prepared for the progress report and the final report;
- Timely completion of all post appointment tax and VAT returns;
- Preparation and review of a number of periodic estimated outcome statements ("EOS") which will be used to monitor the progress of asset realisations and the administration generally; and
- Managing estate expenses.

To 28 June 2019, time has been spent creating an estimated outcome statement, used to monitor the progress of the Administration.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme; and
- Liaising with pension companies to arrange for prompt wind up of schemes.

To 28 June 2019, time has been spent reviewing the pension scheme operated by the Company.

Assets

- Agreeing strategy for realisation of Company assets – Time has been spent completing a sale of the Business and Assets. Further time will be spent monitoring receipt of the deferred consideration;
- Liaising with agents as required – The Joint Administrators instructed CAM and Champion to assist with the sale of the business;
- Tax Refund – Time will be spent liaising with HMRC, the director and accountants to identify whether there is any potential tax refund due. If appropriate, accountants will be instructed to provide advice and submit any relevant claim to HMRC.
- Liaising with Company's bankers re pre-appointment bank accounts;
- Monitor deferred consideration; and
- Identification and dealing with any assets subject to retention of title.

To 28 June 2019, time has been spent completing a sale of the business and assets.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors – All claims from the Company's 26 creditors will be logged. Should the Company enter into Liquidation, all claims will be collated and passed to the Liquidators. Claims are

not being formally agreed at this stage as it is not anticipated that there will be a dividend to the unsecured creditors;

- Preparation, review and submission of pre-appointment tax and VAT returns;
- Preparation and submission of periodic progress reports to creditors - It is anticipated that the administration will last for the standard 12 months, as such in addition to this report, there will be two progress reports which will be prepared during the lifetime of the case;
- Preparation and submission of the Joint Administrators Initial Letter to creditors pursuant to SIP16; and
- Agreeing preferential claims and making a distribution to preferential creditors.

Non-statutory

- Dealing with enquiries from the Company's creditors - this will include dealing with correspondence by way of telephone, email and post.

To 28 June 2019, time has been spent drafting the Joint Administrators Initial Letter to creditors pursuant to SIP16. In addition, time has been spent handling enquiries from creditors.

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the liquidators' records;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

To 28 June 2019, time has been spent liaising with the Director in respect of information required for the Administration.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions to the 28 June 2019 are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Planning & Strategy

- Monitoring the Administration to ensure the strategy and purpose can be achieved.

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015;
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors; and
- Reporting on outcome of voting.

To 28 June 2019, time has been spent drafting the Joint Administrators' Report and Statement of Proposals.

Investigations

- Collecting and reviewing the Company's records;
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations. Statutory Investigations will include determining if any of the following have occurred:
 - Transactions at an Undervalue;
 - Preferences;
 - Transactions putting assets beyond the reach of creditors;
 - Misfeasance or breach of any fiduciary duty;
 - Wrongful trading; and
 - Undue retention of Crown monies.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	10.00
Bond Fee	Insurance bond	40.00
Document Hosting	Hosting of documents for creditors	70.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	85.95
Storage Costs	Storage of books and records	100.00
	Total standard expenses	392.95

Case Specific Expenses

Type	Description	Amount £
Accountancy Fees	Accountancy advice and costs of assisting with the preparation of the statement of affairs	1,500.00
Accountancy Fees	Advice with regards tax refund and, if appropriate, submission of return(s)	2,500.00
Legal Fees	General legal advice	500.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	50.00
	Total case specific expenses	2,500.00

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Preferential £	Unsecured £
Amount estimated available to class of creditor	578	Nil
Amount due to creditor per Appendix B	(578)	(735,912)
Estimated dividend rate (as a %)	100%	Nil

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director 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. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard
	£
Director	450
Senior Manager	410
Manager 1	365
Manager 2	320
Administrator 1	260
Administrator 2	230
Administrator 3	210
Administrator 4	150
Support	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of 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.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per individual
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case

Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

Proof of Debt – General Form

Relevant date: 11 June 2019

Name of Company in Administration:

Made In Mind Limited

Company registered number:

07054349

1. Name of creditor (if a company, provide registration number)
2. Correspondence address of creditor (including email address)
3. Total amount of claim (£) at relevant date (include any Value Added Tax)
4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)
5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)
6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

APPENDIX J

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

BREAKDOWN OF SHAREHOLDERS

Name	Class of Share	No. of Shares	% of total Owned
Min-Kyu Choi	Ordinary	506,000.00	34.65
Matthew Judkins	Ordinary	319,000.00	21.84
Paul Thomas	Ordinary	115,000.00	7.87
Ferdinand Konig	Ordinary	60,000.00	4.11
Alexander Easton	Ordinary	16,332.00	1.12
Charles Stone	Ordinary	15,784.00	1.08
James Light	Ordinary	14,199.00	0.97
Simon Bird	Ordinary	10,888.00	0.75
Mark Whittaker	Ordinary	11,858.00	0.81
Nick Hanbury-Williams	Ordinary	5,444.00	0.37
Ian Wright	Ordinary	8,166.00	0.56
Nicholas Rinaldo Fronzoni	Ordinary	5,444.00	0.37
Mark Tracey	Ordinary	12,419.00	0.85
Kate Shaw	Ordinary	6,150.00	0.42
Adam Blaskey	Ordinary	4,082.00	0.28
Jason Barron	Ordinary	21,774.00	1.49
Charles Mulinder	Ordinary	24,839.00	1.70
Sarah Napper	Ordinary	15,311.00	1.05
Alyn Morgan	Ordinary	14,002.00	0.96
Zeno Duerr	Ordinary	8,166.00	0.56
Steve Lister	Ordinary	18,033.00	1.23
Louise Wilson	Ordinary	9,867.00	0.68
Guy Blaskley	Ordinary	4,082.00	0.28
Peter Guenthardt	Ordinary	7,145.00	0.49
Russ Mould	Ordinary	12,589.00	0.86
Helen Milhench	Ordinary	15,311.00	1.05
Guy Weston	Ordinary	27,218.00	1.86
Steve Seaman and Sian Fletcher as the trustees of Seamonster Directors Pension Scheme	Ordinary	13,270.00	0.91
Christopher Craig-Wood	Ordinary	20,075.00	1.37
Damian Hopley	Ordinary	5,444.00	0.37
Sandeep Sahni	Ordinary	8,152.00	0.56
Counting Tree Limited	Ordinary	4,355.00	0.30
Tina Ruparel	Ordinary	3,266.00	0.22
Philip Cox-Hynd	Ordinary	22,888.00	1.57

Made In Mind Limited - In Administration

Ifeyinwa Onugha	Ordinary	2,722.00	0.19
A-Young Kim	Ordinary	3,266.00	0.22
Royal College of Art	Ordinary	14,900.00	1.02
Tektos Holdings	Ordinary	17,013.00	1.16
Stephen Foale	Ordinary	8,000.00	0.55
Mark Casey t	Ordinary	8,977.00	0.61
Nick Peperell	Ordinary	2,552.00	0.17
Simon Hall	Ordinary	1,701.00	0.12
Adrian Sham	Ordinary	341.00	0.02
Andrew Blain	Ordinary	341.00	0.02
Ben Macdonald	Ordinary	341.00	0.02
Christopher de la Vega	Ordinary	341.00	0.02
Darryl Hemsley	Ordinary	681.00	0.05
Desmond Ho	Ordinary	17,694.00	1.21
Geoffrey Warren	Ordinary	682.00	0.05
James Bury	Ordinary	341.00	0.02
John Osborn	Ordinary	511.00	0.03
Kevin Brown	Ordinary	3,403.00	0.23
Marcus Karia	Ordinary	341.00	0.02
Michael Swan	Ordinary	341.00	0.02
Mohammed Bhuta	Ordinary	851.00	0.06
Nick Donovan	Ordinary	3,403.00	0.23
Owen Whelan	Ordinary	341.00	0.02
Peter Wombwell	Ordinary	1,702.00	0.12
Ravindra Chaudhari	Ordinary	341.00	0.02
Robin Saxby	Ordinary	1,021.00	0.07
Sian Reid	Ordinary	341.00	0.02
Silvina Paz	Ordinary	341.00	0.02
Susan McDonald	Ordinary	341.00	0.02
Tom Grunwald	Ordinary	341.00	0.02
Yang Han Tan	Ordinary	341.00	0.02
Total		1,460,406.00	100.00