

# AM03

## Notice of administrator's proposals



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Please complete in typescript or in  
bold black capitals.

### 1 Company details

Company number 07065070

Company name in full JTJ Workplace Solutions Limited

### 2 Administrator's name

Full forename(s) Simon Franklin

Surname Plant

### 3 Administrator's address

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London

Postcode E14 9XQ

Country

### 4 Administrator's name ①

Full forename(s) Daniel

Surname Plant

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

### 5 Administrator's address ②

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

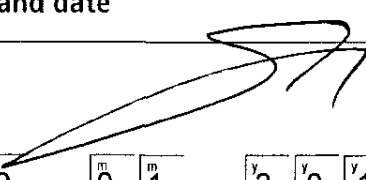
County/Region London

Postcode E14 9XQ

Country

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

AM03  
Notice of Administrator's Proposals

<b>6</b>		<b>Statement of proposals</b>	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
<b>7</b>		<b>Sign and date</b>	
Administrator's Signature	Signature X		X
Signature date	d 3 0	m 0 1	y 2 0 y 1 8

## 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	Simon Franklin Plant
Company name	S F P
Address	9 Ensign House Admirals Way
Post town	Marsh Wall
County/Region	London
Postcode	E 1 4 9 X Q
Country	
DX	
Telephone	020 7538 2222



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- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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**Strictly Private and Confidential**

**JTJ Workplace Solutions Limited (In Administration)**

**The Joint Administrators' Proposal**

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MIPA FABRP**

**Daniel Plant  
MIPA FABRP**

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**1. Executive Summary**

**SECTION/APP.  
REFERENCE**

- |  |                          |
|--|--------------------------|
| <p>1.1 The Company was placed into Administration on 8 December 2017. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration is therefore to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).</p>   | <p><b>Appendix I</b></p> |
| <p>1.2 The Company was incorporated on 3 November 2009 to trade as a training provider accredited by the SFA. Its registered office was located at Number Three Siskin Drive Middlemarch Business Park Coventry CV3 4FJ. It traded from several locations, these included the Peckham Premises, the Croydon Premises, the Birmingham Premises, the Woolwich Premises, the Coventry Premises and the Coventry Head Office. A history of the Company's trading activity together with the events leading the Directors to seek to place the Company into Administration are detailed in <b>Section 3 of Appendix I</b>.</p>  | <p><b>Appendix I</b></p> |
| <p>1.3 In pursuing the second Administration objective, the Joint Administrators' strategy was to attend the premises immediately in order to pursue a satisfactory settlement agreement, as this had the potential to improve the result for creditors as a whole. Given the lack of available funding and as the Company had ceased to trade prior to appointment, continued trading of the business was not an option. The Joint Administrators have now completed a settlement agreement but, as explained in the Statement of Proposals, it is still envisaged that the second Administration objective will be achieved.</p>   | <p><b>Appendix I</b></p> |
| <p>1.4 The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes collecting the deferred consideration, continued investigations into the Company's affairs, statutory reporting, concluding matters regarding the multiple premises, payment of a prescribed part distribution. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being, although the Statement of Proposals provides details of the proposed exit route from Administration in due course. On present information, there will be a dividend to unsecured creditors from the prescribed part.</p> | <p><b>Section 5</b></p>  |
| <p>1.5 Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p>  | <p><b>Appendix I</b></p> |

## 2. Introduction

- 2.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act ("the Statement of Proposals") attached at **Appendix I**.
- 2.2 The Statement of Proposals provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as statutory information relating to the proposed completion of the Administration.
- 2.3 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 2.4 Definitions of the terms used in this Proposal are provided in **Appendix I** together with all statutory information pertaining to the Company.

## 3. Statement of Pre-Administration Costs

- 3.1 The Statement of Proposals provides an account of the work done prior to the Administration. The Company agreed to this work being done by SFP by means of an engagement letter signed on 28 November 2017. This work was carried out before the Company entered Administration in order to determine that it was reasonably likely that the purpose of Administration would be achieved, to brief the Team and Breal in preparation for the appointment and with the assistance of Freeths solicitors to enable the necessary formalities to be completed to place the Company into Administration. The Team spent some time investigating the trading status of the Company and the position in relation to the CVA. This work was necessary in order to formulate a strategy for the Administration. Prior to Administration, it was considered advantageous also to prepare to move swiftly to sell the business and assets of the Company in the event that it became apparent that a second CVA was not possible. Thus, agents were engaged with a view to valuing the business and assets and advising on the most beneficial means of pursuing a sale; it was felt that this action would further, if necessary, the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up.

- 3.2 In conducting the above work, the following costs were incurred:

	£
SFP's time costs (see <b>Appendix II</b> )	8,720
SFP's disbursements	65
Breal	4,876
Freeths	6,389

- 3.3 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 SFP's charge-out rates and bases of disbursements. All the above costs remain unpaid.
- 3.4 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 10**.

## 4. The Joint Administrators' Fees

- 4.1 As explained in the Statement of Proposals, the Joint Administrators propose to fix their fees by reference to the time properly given by them and their staff in attending to matters arising in the Administration.

- 4.2 Attached at **Appendix IV** is a breakdown of the time costs incurred in the Administration to date. The Statement of Proposals provides an account of the work undertaken to date and **Appendix VI** provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff. As explained in the Statement of Proposals, the Team attended the Coventry Head Office for 3 days to deal with all aspects of the Company's business including liaising with former employees and suppliers to ensure that a settlement agreement remained viable. Although significant time costs were incurred in this activity (largely categorised as Statutory and General Administration in **Appendix IV**), the Joint Administrators consider this strategy was justified in view of the substantially enhanced realisations achieved by the successful settlement agreement.
- 4.3 The charge-out rates of the Joint Administrators and their staff are detailed in **Appendix III**. The grades of staff instructed to assist in this matter and their key responsibilities include:
- 4.3.1 Support Staff: maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors;
  - 4.3.2 Administrators: on-site attendance, reviewing the Company's position and affairs, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing statutory reports to creditors, returns to Companies House, and managing the Treasury function of the case; and
  - 4.3.3 Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors, returns to Companies House, other statutory matters and overseeing the tax and VAT aspects of the case.
- 4.4 In view of the complex issues arising in this case, it has proven necessary to involve the manager to a greater degree than otherwise would have been the case.
- 4.5 Creditors may access a Guide to Administrators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request.
- 4.6 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.
- 5. The Joint Administrators' Expenses**
- 5.1 The Joint Administrators' expenses may be divided into two categories:
- 5.1.1 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.
  - 5.1.2 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.
- 5.2 As explained in the Statement of Proposals, the Joint Administrators have instructed SFP Property to assist with the property matters arising in the Administration. SFP Property has been established by SFP to perform functions that either the office holders or outside agencies could undertake. It is considered that by virtue of the specialist nature of SFP Property and its close proximity to SFP, it will achieve better results than the office holders, their team or any outside agencies would be able to accomplish.
- 5.3 **Appendix III** provides a summary of the charge-out rates for SFP Property. Also set out in that appendix are the bases of other Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.



- 5.4 A breakdown of the time costs incurred by SFP Property since the start of the Administration is attached at **Appendix V**. For further information regarding the work carried out to date by SFP Property, please refer to the Statement of Proposals.

**6. Proposed Work to be Undertaken**

- 6.1 Substantial work needs to be undertaken in order to progress and conclude the Administration. Set out in **Appendix VI** is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with estimates of the time these tasks will take to carry out. 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.

**Statutory and General Administration**

- 6.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory requirements. 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.
- 6.3 Primarily, these tasks will include:
- 6.3.1 issuing this Proposal, seeking relevant creditors' approvals and issuing notice of the outcome;
  - 6.3.2 drafting and issuing 6-monthly progress reports to creditors and filing statutory documents with the Registrar of Companies;
  - 6.3.3 consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
  - 6.3.4 consulting with SFP Property to receive progress updates and to agree strategies;
  - 6.3.5 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;
  - 6.3.6 monitoring and maintaining an adequate statutory bond;
  - 6.3.7 conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;
  - 6.3.8 maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
  - 6.3.9 completing periodic tax returns and settling any associated liabilities;
  - 6.3.10 considering whether an extension to the Administration is necessary and, if so, seeking approval for this from the relevant creditors or the court and issuing notice of the outcome; and
  - 6.3.11 considering which exit route from Administration is appropriate and issuing and filing the necessary documents, including a final report, to effect the exit.

**Investigations**

- 6.4 The Joint Administrators will examine the conduct of the Company and its directors (past and present) prior to the Administration with the objective of identifying what assets are available for realising for the benefit of creditors, including any potential actions against the directors or other parties, such as transactions at an undervalue or preferences. This work will also provide information to enable a statutory report on the conduct of the directors to be submitted to the Insolvency Service.
- 6.5 In the early stages, this work will involve 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 by means of questionnaires and/or interviews.
- 6.6 It is understood that certain of the Directors may have overdrawn director loan accounts. The Joint Administrators will look to investigate the position with regards to this further in order to quantify any balances and will look to pursue repayment of the funds.

- 6.7 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding on the next steps in pursuing a recovery. If the Joint Administrators encounter resistance in obtaining a recovery, formal legal action may be appropriate.
- 6.8 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work and the likely financial benefit to creditors that may result from these efforts. The Fees and Expenses Estimates attached reflect the anticipated work in identifying potential causes of action. If any are identified and the Joint Administrators consider that additional work is required, additional legal costs may be incurred and the Joint Administrators may revert to the relevant creditors to seek approval for additional fees.

#### **The Settlement of the Transfer of the Business and Assets**

- 6.9 As explained in the Statement of Proposals, a settlement for the transfer of the Company's business and assets has been completed. The Joint Administrators will continue to collect deferred consideration payments as and when they become due. For the purpose of the Fees Estimate, it is assumed that payments will be received as scheduled in the settlement agreement, however it should be borne in mind that additional work may be required in order to pursue late payments. The Joint Administrators will report the impact of any such work on the Fees Estimate in due course where appropriate.

#### **Debtors**

- 6.10 Whilst the book debts were included as part of the settlement agreement, the Joint Administrators continue to liaise with GML and the debtors / customers to confirm the position with regards to work in progress and payment of outstanding invoices.

#### **The Company's Trading Premises**

- 6.11 As explained in the Statement of Proposals, SFP Property has been instructed to value the Company's interest in the multiple premises and propose an appropriate disposal strategy for all premises. The Joint Administrators will consider the appropriate strategy and likely will instruct SFP Property to proceed to realise any value in the interest where possible or conclude the Company's interest in a cost-effective manner.

#### **Creditors**

- 6.12 At present, it appears possible that there will be sufficient funds to pay a distribution to non-preferential unsecured creditors by way of the prescribed part. It is anticipated that this distribution will be paid by the Joint Administrators. Although it appears unlikely, in the event that there proves to be sufficient funds to pay a dividend to non-preferential unsecured creditors other than by way of the prescribed part, this would need to be carried out by subsequently-appointed Joint Liquidators. The Fees Estimate attached at **Appendix VI** has been created on the assumption that the Administration will terminate by means of filing a notice of move to dissolution (once all the Company's property has been distributed). However, in the event that the Company moves from Administration to CVL and the Joint Administrators have not declared a distribution before the Company moves to CVL, it should be noted that the time estimated in the Joint Administrators' Fees Estimate in relation to the distribution may be incurred by the Joint Liquidators.
- 6.13 Irrespective of whether sufficient realisations are achieved to pay a dividend to unsecured creditors, the Joint Administrators envisage carrying out the following key tasks:
- 6.13.1 liaising with the secured creditors in relation to the settlement reached in respect of the transfer of assets subject to their security;
  - 6.13.2 with the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
  - 6.13.3 assisting any employees to receive payments from the RPO;
  - 6.13.4 responding to creditors' queries and logging their claims and supporting information; and
  - 6.13.5 maintaining the database as regards creditors' contact details and claims.

6.14 If there are sufficient funds to pay a distribution to preferential creditors, the following additional tasks will be carried out:

- 6.14.1 issuing a Notice of Intended Distribution in accordance with statute;
- 6.14.2 agreeing any employees' and the RPO's claims;
- 6.14.3 calculating and paying a distribution to preferential creditors;
- 6.14.4 setting up a new tax reference to enable the PAYE/NI deductions to be paid by means of an online return to HMRC; and
- 6.14.5 dealing with unclaimed dividends.

6.15 If there are sufficient funds to pay a dividend to non-preferential unsecured creditors (by way of a prescribed part), the following additional tasks will be carried out:

- 6.15.1 issuing and advertising Notice of Intended Distribution in accordance with statute;
- 6.15.2 reviewing the tax claims submitted by HMRC and, where it is appropriate, examining the Company's records to adjudicate on HMRC's claims;
- 6.15.3 agreeing any employees' and the RPO's non-preferential claims;
- 6.15.4 setting up a new tax reference to enable any PAYE/NI deductions from the dividend to be paid by means of an online return to HMRC;
- 6.15.5 adjudicating on all other unsecured creditors' claims, including seeking further information and seeking legal advice where necessary;
- 6.15.6 dealing with any appeals to the Joint Administrators' decisions to reject claims;
- 6.15.7 calculating a prescribed part dividend;
- 6.15.8 declaring and paying dividends to unsecured creditors; and
- 6.15.9 dealing with unclaimed dividends.

6.16 Although adjudicating on creditors' claims can be a complicated and time-intensive process, office holders are required to distribute the Company's funds only to parties who have valid claims and in line with the statutory order of priority. Therefore, whilst the time costs incurred in much of this work may not appear to bring direct financial benefit to creditors, it will ensure that the statutory provisions are complied with and that distributions are made in accordance with creditors' statutory entitlements.

## 7. Other Information to Support the Fees and Expenses Estimates

7.1 Attached at **Appendix VI** is an estimate of the time that the Joint Administrators envisage the above work will take to complete. **Appendix VII** provides their estimate of the expenses that have been or are likely to be incurred and includes the costs likely to be incurred by SFP Property.

7.2 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.

7.3 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 £103,000 in conducting the tasks described. This estimate includes the time spent to date of £28,008, as described in **Appendix IV**.

7.4 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:

- 7.4.1 investigations to the extent described in paragraphs 6.4 to 6.8 above will be carried out;
- 7.4.2 no exceptional work will need to be conducted in order to realise the remaining assets and collect in the deferred consideration; and

**7.4.2** no exceptional work will need to be conducted in order to realise the remaining assets and collect in the deferred consideration; and

**7.4.3** there will be no need to extend the Administration for more than one year, approval for which will be sought from the relevant creditors at an appropriate time.

**7.5** 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.

## **8. The Joint Administrators' Discharge**

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

## **9. Approval Process**

**9.1** In the absence of a Creditors' Committee, the matters described in this Proposal are to be decided by the secured creditor. Therefore, this information is provided to other creditors for information purposes only.

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX I**

- **The Statement of Proposals**

**Appendix I  
to the Joint Administrators' Proposal**

**Strictly Private and Confidential**

**JTJ Workplace Solutions Limited (In Administration)**

**Statement of the Joint Administrators' Proposals  
Pursuant to Paragraph 49(1) of  
Schedule B1 to the Insolvency Act 1986**

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**JTJ Workplace Solutions Limited (In Administration)**  
**Statement of the Joint Administrators' Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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- C** Estimated Statement of Affairs as at 8 December 2017 / Creditors' Details / Director's Estimated Statement of Affairs / Estimated Outcome Statement
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**1. Introduction**

- 1.1. This Statement of Proposals is prepared pursuant to Schedule B1, Paragraph 49 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 all statutory information pertaining to the Company is set out in **Attachment B**.
- 1.3. This Statement of Proposals is being delivered to creditors by means of the Joint Administrators' website on 30 January 2018 and it shall be deemed delivered to any creditors who have already requested hard copies two business days later. These statutory delivery dates will not be affected by any requests from creditors for a hard copy of this document after 30 January 2018.

**2. The Joint Administrators' Appointment**

- 2.1. On 28 November 2017, the Company held a board meeting at the offices of SFP. At the meeting it was resolved that the Company could no longer meet its liabilities as and when they fell due and as a result the Directors sought the appointment of Joint Administrators as soon as possible.
- 2.2. The Directors filed the Notice of Intention at the Court and subsequently served it upon the Company's qualifying floating charge holder, Natwest. The Notice of Intention was endorsed with the number 3158 of 2017.
- 2.3. The prescribed notice period of five business days, within which the charge holders may take their own steps to appoint an administrator, elapsed and on 8 December 2017, the Notice of Appointment was presented to the Court by solicitors Freeeths on behalf of the Company's Directors. Both Simon Franklin Plant and Daniel Plant were appointed Joint Administrators. Pursuant to Schedule B1, Paragraph 100(2) of the Act, any function may be exercised by either of the Joint Administrators.

**3. Company History and Events Leading to the Administration**

- 3.1. Albeit that statutory information is contained in **Attachment B**, this Statement of Proposals provides brief details in relation to the Company's history. This history has been compiled following conversations between the Team and the Directors, subsequent to the placing of the Company into Administration.
- 3.2. The Company was incorporated on 3 November 2009.
- 3.3. The Company commenced trading as a training provider accredited by the SFA. It had a relationship with 8 – 10 colleges across England.
- 3.4. A proportion of each college's education budget would be spent on sub-contracting work out to the Company to run training courses and apprenticeships.
- 3.5. The Company had a limited number of staff initially, generating nominal profits in the year ended 2011.
- 3.6. The Company moved to larger premises later in 2011 following a period of growth. Further full time employees were also recruited.
- 3.7. In 2012 Mr Hayes was appointed as a director. Mr Hayes had significant experience in the logistics industry and was able to introduce new clients to the Company.



JTJ Workplace Solutions Limited (In Administration)  
Statement of the Joint Administrators' Proposals  
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

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- 3.8. The Company was enjoying significant growth due to its successful pass rates and by the end of the 2013 financial year, profits were approaching £500,000.
- 3.9. By July 2015 the Company was employing 72 full time staff and operating from a number of leased premises across the country.
- 3.10. The Company banked with Natwest and had an overdraft of £250,000 in operation.
- 3.11. Toward the end of 2015, the government reduced the SFA's budget. This caused colleges to reduce courses, directly impacting upon work streams for the Company.
- 3.12. The net result of the spending cuts caused a significant reduction in turnover and a circa £1m loss for the Company for the 2016 financial year end.
- 3.13. In a bid to address the financial difficulties, the Company closed certain of its training centres, reduced the work force and sought additional investment. An unsecured loan of £100,000 was subsequently provided by a shareholder of the Company.
- 3.14. The prospects for the Company in the medium term were however, looking positive. In particular, the government was looking to introduce an apprenticeship levy, which would impose a tax upon larger corporations failing to actively take up apprenticeship schemes.
- 3.15. During the period of spending cuts, the Company accrued certain legacy debts that it was not able to settle. Accordingly, the Directors sought professional guidance from insolvency practitioners in October 2016.
- 3.16. The decision was subsequently taken to enter into a CVA. This was formally approved by creditors on 25 November 2016 and the arrangement provided for unsecured creditors to be repaid in full over a period of two years.
- 3.17. Following the Company entering into the CVA, it received notification from the SFA that the CVA represented a breach of the accreditation, leading to its withdrawal.
- 3.18. The loss of the accreditation was catastrophic for the business as it was unable to continue to operate in its current guise, as the accreditation was a prerequisite to work for the colleges.
- 3.19. Over the following months, the Company looked to diversify and seek additional revenue streams. A new business, GML commenced trading (with common directors) during July 2017. Whilst the business model of GML was different to the Company, it was utilising contacts established with the Company.
- 3.20. GML continued to service certain of the CVA payments on behalf of the Company however, the position became untenable later in 2017 and the Directors sought further assistance. They subsequently took the decision to seek to place the Company into Administration.
- 3.21. For the avoidance of doubt, neither SFP nor any of its insolvency practitioners assisted with advising on, preparing, or implementing the CVA.
- 3.22. At **Attachment C** is an estimated Statement of Affairs, which indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £272,226

#### **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:
  - 4.1.1. rescuing the company as a going concern, or
  - 4.1.2. 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
  - 4.1.3. 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. In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a CVA. This was not considered to be achievable given that the Company had ceased to trade prior to Administration as well as the fact that the Company had been unable to maintain compliance with the terms of its previous CVA, although it appears that the second purpose is a viable option.
- 4.4. As the Company had ceased to trade prior to appointment (albeit that the business had been transferred to another entity), the Joint Administrators have looked to reach a satisfactory settlement with the purchasing entity.
- 4.5. It is still considered that the second Administration objective may be achieved, as the Team was able to attend the Company's premises immediately and pursue a swift settlement, which would not have been possible had a winding-up been progressed. Therefore, the result for creditors as a whole is likely to be improved, as the secured creditor and the unsecured creditors, by way of the prescribed part, are expected to recover a greater proportion of their debts.
- 4.6. A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

#### **5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy**

- 5.1. Prior to the Joint Administrators' appointment on 8 December 2017, they arranged for a meeting to take place with the Team in order to discuss the post-appointment strategy and to provide a background of the Company's position. It was agreed that the Team and Breal would attend site on 8 December 2017 in order to assess the Company's trading position and the viability of a settlement agreement.
- 5.2. After receiving confirmation that the Administration had commenced, various statutory duties were discharged including the following:
  - 5.2.1. open insurance cover was obtained immediately on appointment;
  - 5.2.2. a request for all accounts to be frozen was made, as well as a request for copy statements and additional information to be provided;
  - 5.2.3. notification of the Administration and a request to change the Company's registered office were sent to the Registrar of Companies; and
  - 5.2.4. instructions were issued to advertise the Administration.

- 5.3. On 8 December 2017, the Team attended the Coventry Head Office.
- 5.4. The Directors were provided with the standard director's pack explaining the impact of the Administration and their fiduciary duties going forward. The valuation agent, Breal, was instructed to provide a valuation of the Company's business and assets and to assist the Joint Administrators in compiling a strategy to maximise realisations.
- 5.5. During the discussions that took place prior to the commencement of the Administration, it was established that achieving the first Administration objective by continued trading in Administration would not be viable. This was primarily due to the Company having ceased to trade. Accordingly, the Team focussed on seeking to achieve the second Administration objective and looked to discharge the Joint Administrators' initial statutory duties, glean general company information and establish a strategy to maximise the recovery position, with the assistance of Breal.
- 5.6. The Team also commenced its review of the current debtor position.
- 5.7. The Team was advised that all previous employees of the Company had been transferred to GML. Accordingly, there were no employees to attend to.

## 6. General Progress In Relation to the Administration

### The Settlement of the Transfer of the Business and Assets

- 6.1. It was established that the business and assets had been transferred to GML. Accordingly, Breal was instructed to carry out a valuation of the business and assets in order to provide guidance on an appropriate settlement figure.
- 6.2. Breal concluded its review on 11 December 2017 and negotiations regarding the settlement commenced with GML on 12 December 2017.
- 6.3. GML opened with an offer of £200,000. Despite Breal advising that this was a reasonable settlement figure, it encouraged seeking an uplift. Accordingly, negotiations continued.
- 6.4. A best and final offer of £225,000 payable over ten months was subsequently made by GML. The deferred payments were to be secured by personal guarantees from Mr Hayes and Mr Montgomery. Breal recommended accepting the offer.
- 6.5. As a result, Freeths was instructed to draft a settlement agreement and corresponding personal guarantees. Draft documents were circulated on 12 December 2017.
- 6.6. Following a review of the documentation there were minor changes. The agreements were updated and signed with completion taking place at 10:10 am on 13 December 2017.

### Additional Information regarding the Settlement of the Transfer of the Business and Assets

- 6.7. Attached at **Attachment B** are further details of the settlement agreement.

### Debtors

- 6.8. The Company's sales ledger was unencumbered and stood at £99,352.56 at the date of the Joint Administrators' appointment.

**JTJ Workplace Solutions Limited (In Administration)**  
**Statement of the Joint Administrators' Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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- 6.9. Breal was instructed to provide guidance on the potential value of the debtor recoveries, taking into consideration possible disputes.
- 6.10. Based upon the available information, Breal estimated that circa half of the total debtor balance may be recoverable.
- 6.11. In addition to possible disputes, Breal established that the paper trail to support collections was complicated and potentially incomplete. Accordingly, GML would be best placed to carry out collections (having a more detailed knowledge and closer connections). Breal recommended including the book debts as a part of the settlement agreement.

**The Company's Trading Premises**

- 6.12. The Company previously had an interest in the Peckham Premises, the Croydon Premises, the Birmingham Premises, the Woolwich Premises, the Coventry Premises and the Coventry Head Office. According to the Directors, the nature of the interest was individual short term tenancies ranging from 6 to 12 months.
- 6.13. GML is now understood to be in occupation of each of the six premises and has, apparently, liaised with the requisite landlord to agree fresh terms.
- 6.14. SFP Property has been instructed to contact each landlord of the above premises to confirm that there are no outstanding matters or any formal agreements in the name of the Company to close off.
- 6.15. An update will be provided in the First Report.

**Investigation into the Company's Affairs Prior to the Administration**

- 6.16. 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.
- 6.17. 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.
- 6.18. It is understood that certain of the Directors may have overdrawn director loan accounts. Quantifying any balances and seeking repayment will form a part of the Joint Administrators' ongoing review.

**Instruction of Other Professionals**

- 6.19. Independent professional agents, Breal were instructed to provide valuation advice and to assist with the disposal strategy. Breal were chosen for this assignment due to their knowledge of the industry, geographical location and experience and understanding of insolvency scenarios and the Joint Administrators understand that they have adequate professional indemnity insurance.
- 6.20. Freeths is a legal practice which has a division specialising in insolvency matters. Freeths was chosen for this assignment due to this specialism.

**7. The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments**

- 7.1. At **Attachment C** is an estimated Statement of Affairs completed by the Joint Administrators. Further, attached is a copy of the Statement of Affairs provided by Mr Hayes. A Statement of Affairs has also been requested from Mr Montgomery. To date, this form has not been returned. If Mr Montgomery's form is not

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received shortly, the Joint Administrators will take a view as to whether or not they understand the financial position sufficiently to release Mr Montgomery from his obligation to submit a statutory Statement of Affairs.

- 7.2. Attached is also a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and appearance on this list does not mean that any claim has been rejected or agreed. There are no known preferential claims against the Company.
- 7.3. 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.
- 7.4. From the Estimated Statement of Affairs, you will note that the net property is estimated to be £225,000, which would result in an estimated prescribed part of £48,000. Please note, however, that these estimates are exclusive of the costs of the Administration.
- 7.5. The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because the Joint Administrators intend to distribute the prescribed part in the event that the net property exceeds £10,000.
- 7.6. As demonstrated in the Estimated Outcome Statement attached at **Attachment C**, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be sufficient funds to pay a small distribution to unsecured creditors from the prescribed part and a distribution to the secured creditor.
- 7.7. Attached at **Attachment D** is the Joint Administrators' receipts and payments account for the period from 8 December 2017 to 19 January 2018.

**8. The Joint Administrators' Fees**

- 8.1. The Joint Administrators propose to be remunerated by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. The Joint Administrators will seek approval for the basis of their fees from the secured creditor, unless a Creditors' Committee is established.
- 8.2. 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.

**9. Approval of the Statement of Proposals**

- 9.1 As explained in **Section 7.6** above, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.
- 9.2 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.
- 9.3 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

## 10. Summary of the Joint Administrators' Proposals

- 10.1. The Statement of Proposals, is summarised below.
- 10.2. In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:
- 10.2.1. 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:
    - 10.2.1.1. they collect the deferred consideration in relation to the settlement of the transfer of the Company's business and assets;
    - 10.2.1.2. 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
    - 10.2.1.3. 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.
  - 10.2.2. 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.
  - 10.2.3. the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
    - 10.2.3.1. in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
    - 10.2.3.2. however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Simon Plant and Daniel Plant 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 9**; or
    - 10.2.3.3. 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, Simon Plant and Daniel Plant may ask the court that

**JTJ Workplace Solutions Limited (In Administration)**  
**Statement of the Joint Administrators' Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

**11. Ancillary**

**EC Regulation on Insolvency Proceedings**

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

**Creditors' Questionnaires**

- 11.2. As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assisting with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience.

**Directors' Conduct**

- 11.3. Pursuant to the CDDA, it is the Joint Administrators' duty to submit a requisite form to the Insolvency Service concerning the Directors' conduct.
- 11.4. The form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Completed creditors' questionnaires may prove extremely helpful concerning this.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or the Assistant Manager dealing with this matter, Calvin Beetar, on 020 7538 2222 or by email to [enquiries@sfpgroup.com](mailto:enquiries@sfpgroup.com).

**Dated this 30 January 2018**

**Simon Plant**  
**Joint Administrator**

## DEFINITIONS

### Independent Parties instructed to assist with the Administration

Breal	Breal Asset Valuations Limited
Freeths	Freeths LLP

### Terms associated with SFP

SFP Property	SFP Property Limited
The Team	Any of the Joint Administrators, their staff members and members of staff of SFP Property
The ERA Department	The Employment Rights Act department

### Other Parties

The Company	JTJ Workplace Solutions Limited
Adam Hayes	Mr Hayes
Simon Montgomery	Mr Montgomery
The Directors	Mr Hayes and Mr Montgomery
The Joint Administrators	Simon Franklin Plant and Daniel Plant
Natwest	National Westminster Bank Plc
SFA	Skills Funding Authority
GML	Gateway Managed Services Limited
The Peckham Premises	Church Hall, 45 Elm Grove, Peckham, SE15 5DD
The Croydon Premises	Challenge House, 616 Mitcham Road, Croydon, CR0 3AA
The Birmingham Premises	New Horizons, 4th Floor Keyside Tower, Broad Street, Birmingham, B1 2HF
The Woolwich Premises	Island Business Centre, 18-36 Wellington Street, Woolwich, London, SE18 6PF
The Coventry Premises	101 Lockhurst Lane, Coventry, CV6 5SF
The Coventry Head Office	Number Three, Siskin Drive, Middlemarch Business Park, Coventry, CV3 4FJ
The Court	Manchester District Registry
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs

### References to Statutory and other Regulatory Provisions and Documents

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' Proposal	The document containing the Statement of Proposals
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)
ERA	Employment Rights Act 1996
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
ETO	Economic, technical or organisational
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
Notice of Intention	Notice of Intention to Appoint an Administrator
Notice of Appointment	Notice of Appointment of an Administrator by Directors of the Company
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Administration
The First Report	The Joint Administrators' progress report for the first six month period from the date that the Company was placed into Administration
The Second Report	The Joint Administrators' progress report for the period from six months after appointment to the date specified in the report
The Last Report	The most recent progress report issued by the Joint Administrators
Review Period	Period covered by the Joint Administrators' progress report
NDA	Non-disclosure agreement
SPA	Sale and purchase agreement
The Release	Deed of release of the secured creditor's security
IPR	Intellectual property rights
A Connected Party/Connected	As defined by Section 249 of the Act (a copy of the statutory definition is overleaf)



### Statutory Definition of a Connected Party

Section 249 of the Act states:

*A person is connected with a company if:*

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
- (b) he is an associate of the company;

and "associate" has the meaning given by Section 435 of the Act.

Section 435 of the Act states:

(2) A person is an associate of an individual if that person is:

- (a) the individual's husband or wife or civil partner,
- (b) a relative of
  - (i) the individual, or
  - (ii) the individual's husband or wife or civil partner, or
- (c) the husband or wife or civil partner of a relative of
  - (i) the individual, or
  - (ii) the individual's husband or wife or civil partner.

(3) A person is an associate of any person with whom he is in partnership, and of the husband or wife or civil partner or a relative of any individual with whom he is in partnership; and a Scottish firm is an associate of any person who is a member of the firm.

(4) A person is an associate of any person whom he employs or by whom he is employed.

(5) A person in his capacity as trustee of a trust other than

- (a) a trust arising under any of the second Group of Parts or the Bankruptcy (Scotland) Act 1985, or
- (b) a pension scheme or an employees' share scheme,

is an associate of another person if the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, that other person or an associate of that other person.

(6) A company is an associate of another company

- (a) if the same person has control of both, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or
- (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

(7) A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

(8) For the purposes of this section a person is a relative of an individual if he is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor, or lineal descendant, treating

- (a) any relationship of the half blood as a relationship of the whole blood and the stepchild or adopted child of any person as his child, and
- (b) an illegitimate child as the illegitimate child of his mother and reputed father;

and references in this section to a husband or wife include a former husband or wife and a reputed husband or wife and references to a civil partner include a former civil partner and a reputed civil partner.

(9) For the purposes of this section any director or other officer of a company is to be treated as employed by that company.

(10) For the purposes of this section a person is to be taken as having control of a company if

- (a) the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or
- (b) he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has the control of it;

and where two or more persons together satisfy either of the above conditions, they are to be taken as having control of the company.

(11) In this section "company" includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications.

**JTJ Workplace Solutions Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT B**

- **Statutory Information and Details of the Settlement Agreement**

## Statutory Information

**Company Name:** JTJ Workplace Solutions Limited

**Company Number:** 07065070

**Date of Incorporation:** 3 November 2009

**Trading Names:** JTJ

**Previous Names:** N/A

**Nature of Business:** Training Agency

**Issued Share Capital:** 100 £1 shares

	<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Shareholding</b>
<b>Director(s):</b>	Adam Hayes	2 July 2012	N/A	38
	Simon Montgomery	19 April 2012	NA	39
	Gaurie Kidd	1 June 2011	3 Feb 2017	Nil
	Tihomir Klaric	3 November 2009	1 June 2011	Nil
	Ian Taylor	19 April 2012	31 March 2015	Nil
<b>Other Shareholder</b>	David Rosenberg	N/A	N/A	23
<b>Company Secretary:</b>	N/A			
<b>Current Registered Office:</b>	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ			
<b>Previous Registered Office:</b>	Number Three Siskin Drive Middlemarch Business Park Coventry CV3 4FJ			
<b>Trading Addresses:</b>	Church Hall, 45 Elm Grove, Peckham, SE15 5DD Challenge House, 616 Mitcham Road, Croydon, CR0 3AA New Horizons, 4th Floor Keyside Tower, Broad Street, Birmingham, B1 2HF Island Business Centre, 18-36 Wellington Street, Woolwich, London, SE18 6PF 101 Lockhurst Lane, Coventry, CV6 5SF Number Three, Siskin Drive, Middlemarch Business Park, Coventry, CV3 4FJ			

### Schedule of Outstanding Mortgages or Charges:

<b>Name</b>	<b>Type of Charge</b>	<b>Registered</b>
Natwest	Debenture	12 January 2013

Note: this information reflects that presented at Companies House, unless the Joint Administrators have knowledge to the contrary.

### Details of the Settlement Agreement

SIP13 requires the Joint Administrators to provide details concerning the settlement of a business or any assets to a Connected Party. Given that GML is Connected to the Company, creditors are entitled to be provided with the following information:

- As explained elsewhere, shortly after their appointment it was confirmed to the Joint Administrators that the *Company's business and assets had already been transferred to GML. The Joint Administrators' options were either (i) to seek to overturn the transaction, recover the Company's assets and pursue a sale of them; or (ii) to seek to agree a settlement with GML for the transfer of the business and assets. In view of the substantial costs that would have been incurred if option (i) were pursued, the Joint Administrators commenced negotiations with GML to achieve a settlement. The progress of these negotiations, which culminated in an agreement on 13 December 2017, is described elsewhere.*
- In reaching the agreement, the Joint Administrators considered the asset valuation as provided by Breal, which set out both the likely realisations if a going concern sale could be achieved and those for a forced sale of the assets. At all stages, the Joint Administrators consulted with Breal, who advised on whether the settlement offer was at an acceptable level and on acceptable terms, having regard for the alternatives. Breal recommended accepting the final offer. The agreed amount of the settlement compared favourably to this valuation, particularly given that, if a settlement could not be agreed, a forced sale of the assets likely would be the only alternative.
- The agreement was completed on 13 December 2017.
- The Settlement Deed included the following assets: goodwill, debtors, work in progress and office equipment.
- The consideration totalled £225,000, of which £22,500 was received on 22 December 2017 and the remainder is due to be paid on a deferred basis, as follows:
  - £22,500 on 22 January 2018;
  - £22,500 on 22 February 2018;
  - £22,500 on 22 March 2018;
  - £22,500 on 22 April 2018;
  - £22,500 on 22 May 2018;
  - £22,500 on 22 June 2018
  - £22,500 on 22 July 2018;
  - £22,500 on 22 August 2018; and
  - £22,500 on 22 September 2018.
- The settlement was agreed with GML.
- GML is connected to the Company by reason of the following relationship: Mr Hayes and Mr Montgomery are common directors.
- The settlement is secured by personal guarantees from Mr Hayes and Mr Montgomery.

**JTJ Workplace Solutions Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT C**

- **Estimated Statement of Affairs as at 8 December 2017 / Creditors' Details / Director's Estimated Statement of Affairs / Estimated Outcome Statement**

**JTJ WORKPLACE SOLUTIONS LIMITED (IN ADMINISTRATION)**

**ESTIMATED STATEMENT OF AFFAIRS AS AT 8 DECEMBER 2017**

	Notes	Book Value £	Estimated to realise £
<b>Assets (not specifically pledged)</b>			
Settlement in relation to the Transfer of the business and assets	1	225,000	225,000
Directors' Loan Accounts	2	<u>Uncertain</u>	<u>Uncertain</u>
Estimated funds available to creditors		<u>225,000</u>	225,000
<b>Liabilities</b>			
Estimated net property available to other creditors	3		225,000
<b>Less: prescribed part</b>			
50% of first £10,000		5,000	
20% of remainder		<u>43,000</u>	<u>-48,000</u>
Estimated funds available for floating charge creditor			177,000
Less: NatWest	4		<u>-63,955</u>
<b>Estimated surplus as regards floating charge creditor</b>			113,045
<b>Add back: prescribed part</b>			48,000
<b>Unsecured Creditors</b>			
HM Revenue & Customs - VAT / PAYE / NIC	5	TBC	
Trade creditors	5	<u>433,271</u>	
			<u>-433,271</u>
<b>Estimated total deficiency as regards creditors</b>			<u><u>-272,226</u></u>

**NB: subject to the costs and expenses of the Administration**

**JTJ Workplace Solutions Limited (in Administration)**  
**Notes to the Estimated Statement of Affairs as at 8 December 2017**

1. A settlement for the transfer of the Company's business and assets including the book debts has been agreed with GML in the sum of £225,000. The apportionment of the settlement between fixed and floating charge assets is subject to confirmation by Breal.
2. The Joint Administrators will continue to review the position with regards to the Directors' Loan Accounts and will look to quantify and pursue any claim with regards to this.
3. As illustrated by this statement, the net property is estimated to be £225,000 which would result in an estimated prescribed part of £48,000. Please note, however, that these estimates are exclusive of the costs of the Administration. Please see the Estimated Outcome Statement accompanying these Proposals for further information regarding the estimated surplus after costs.
4. Secured creditor, NatWest was owed circa £63,955 at the date of the Joint Administrators' appointment.
5. These figures have been taken from the Company's records and are subject to change once creditors come forward and submit their proof of debt forms.

## S F P

## JTJ Workplace Solutions Limited

## B - Company Creditors

Key	Name	Address	£
CA00	Antz Network Limited	The Old School House, Ashworth Lane, Bolton, BL1 8RX	6,500.00
CA01	Audi Corporate Finance	customer.services@audi.co.uk	847.37
CB00	Bevlan Office Interiors	York Mill, Livesey Street, Rishton, Blackburn, BB1 4DX	8,827.24
CB01	BKSB Limited	i2 Centre, Hamilton Court, Hamilton Way, Mansfield, NG18 5FB	5,174.40
CB02	BM Advisory	82 St John St, Clerkenwell, London, EC1M 4JN	1.00
CB03	Brazil	54 Marshall Street, London, W1F 9BH	1,808.68
CB04	BUPA	4th Floor, Victoria Building, Quays Loop Road, Salford Quays, M50 3SP	530.92
CC00	Chamber of Commerce	Elliot House, 151 Deansgate, Manchester, M3 3WD	12,310.00
CC01	CITB Construction Skills	Bircham Newton, King's Lynn, Norfolk, PE31 6RH	8,933.50
CC02	CURCO Limited	Milton Barn Milton Manor Farm, Ashford Road, Chartham, Kent, CT4 7PP	161.09
CC03	CF Corporate Finance Limited	Capital House, Raynham Road, Bishop's Stortford, Herts, CM23 5TT	0.00
CE00	ETA	Skerick House, Ards Business Centre, Newtownards, BT23 4YH	26,803.00
CE01	Edgar's Water	Conway House, Pattenden Ln, Marden, Tonbridge, TN12 9QJ	70.80
CF00	Findlay Media Limited	MA Business, Hawley Mill, Hawley Road, Dartford, DA2 7TJ	30,599.97
CF01	Flint Bishop	St Michaels Church, St Michael's Ln, Derby, DE1 3HQ	1,029.47
CF02	Franklin Solicitors	Silbury Court, Silbury Blvd, Milton Keynes, MK9 2LY	7,000.00
CF03	FCA Fleet Services UK Limited	240 Bath Road, Slough, SL1 4DX	0.00
CG00	Geerings of Ashford Limited	Cobbs Wood House, Chart Road, Ashford, TN23 1EP	7,301.70
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UR	0.00
CH01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	0.00
CH02	HM Revenue & Customs	Insolvency Operations, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	0.00
CH03	HM Revenue & Customs	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0.00
CH04	Harris & Co	2 Pavilion Court, 600 Pavilion Drive, Northampton, NN4 7SL	5,248.60
CH05	Hallmark Education	Cofton Barn, Trent Lane, Kings Newton, Derbyshire, DE73 8BT	1,050.00
CH06	Harris & Co	2 Pavilion Court, 600 Pavilion Drive, Northampton, NN4 7SL	15,271.11
CK00	Kaizen Development Solutions	22 The Maltings, Sawtry, Huntingdon, Cambridgeshire, PE28 5GL	3,740.00
CK01	Koco Community Resources	15 Arches Industrial Estate, Coventry CV1 3JQ	1,308.84
CL00	Leonard Curtis	The Grove, 248A Marylebone Rd, Marylebone, London, NW1 6JZ	0.00
CL01	Lambert Smith Hampton	180 Oxford Street, London, W1D 1NN	1,233.47
CL02	Lyreco	Deer Park Court, Donnington Wood, Telford, Shropshire, TF2 7NB	615.01



CL03	Lambert Smith Hampton	First Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS	0.00
CM00	Marriott Hotels and Resorts	North Valley Business Centre, Old Mallow Road, Cork, Ireland	6,168.15
CN00	Natwest	4th Floor, Argyll House, 246 Regent Street, London, W1B 3PB	0.00
CN01	Navitech	Marlbrough Rd, Lancing, BN15 8AD	3,265.92
CN02	NCFE	Q6 Quorum Business Park, Benton Lane, Newcastle upon Tyne, NE12 8BT	1,600.00
CP00	P & B Morris & Son	2 Clinton Avenue, Kenilworth, Warwickshire, CV8 1AU	144.00
CP01	Pearson Education	80 Strand, London, WC2R 0RL	238,601.57
CP02	Practical Action	The Schumacher Centre, Bourton on Dunsmore, Rugby, CV23 9QZ	3,271.20
CP03	Print Junction	Drum Lane, Ashford, TN23	1,280.99
CP04	Pearson Education	KA02, KAO Park, London Road, Harlow, CM17 9NA	0.00
CR00	Ramsey Robinson Solicitors Limited	135 High St, Broadstairs, CT10 1NG	300.00
CR01	RGFE	Pantiles, Yew Tree Close, Harrogate, North Yorkshire, HG2 9LG	0.00
CS00	Smart E-Assessor Limited	Fosse Farm Cottage, Fosse Way, Monks Kirby, Rugby, CV23 0PL	3,694.80
CS01	Softcat	Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1LW	12,283.99
CS02	SupportDesk	95 Commerce Way, Lancing, BN15 8UP	6,427.02
CT00	The Document Warehouse Limited	Document Park, Castle Road, Sittingbourne, Kent, ME10 3JP	1,321.80
CT01	Tribal Education Limited	Kings Orchard Queen Street, St. Philips, Bristol, BS2 0HQ	3,514.99
CW00	Wimal & Co Solicitors	727B London Rd, Thornton Heath, CR7 6AU	300.00
CX00	XPD Print	The Stables, Bourton Hall, Bourton on Dunsmore, Rugby, CV23 9SD	4,730.65
<b>49 Entries Totalling</b>			<b>433,271.25</b>

**JTJ Workplace Solutions Limited  
(In Administration)**

**Schedule of Secured Creditors included in the Statement of Affairs**

**Secured Creditors**

<b>Secured creditor's name and address</b>	<b>Amount of claim (estimated)</b>	<b>Details of security</b>	<b>Date security was given</b>	<b>Value of security (per Statement of Affairs)</b>
National Westminster Bank PLC, 4th Floor, Argyll House, 246 Regent Street, London, W1B 3PB	£63,955	Debenture	8 January 2013	£225,000

## STATEMENT OF AFFAIRS

Name of Company: JTJ Workplace Solutions Limited	Company number: 07065070
In the Manchester District Registry	Court case number: 3158 of 2017

Statement as to the affairs of (a) JTJ Workplace Solutions Limited of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ

on 8 December 2017, the date that the company entered administration.

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### 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 8 December 2017, the date that the company entered administration.

Full name ADAM MICHAEL HAYES.

Signed 

Dated 5/1/18.

### A – Summary of Assets

Assets subject to fixed charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Signature

Date \_\_\_\_\_

5/1/18.

## A1 – Summary of Liabilities

	Estimate £
Estimated total assets available for preferential creditors (carried from page A)	£
<b>Liabilities</b>	
Preferential creditors:-	
Employees (number: _____)	
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	£
Unsecured non-preferential claims:-	
Employees (number: _____)	
Consumers who have paid in advance for goods or services (number: _____)	
Other unsecured creditors	
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	£
Issued and called up capital	£
Estimated total deficiency/surplus as regards members	£

Signature *A. Hayes* Date 5/1/18

*As majority of liabilities relates to CVA, the administrator will be able to supply this information.*

**Note:** You must include all creditors and indicate any creditors under hire-purchase, chattel leasing or conditional sale agreements and any creditors claiming retention of title over property in the company's possession.

Signature P. Hager Date 5/1/18

## EMPLOYEE CREDITORS

**Note:** You must include all employees who have claims against the company (and indicate whether any are also creditors under hire-purchase, chattel leasing or conditional sale agreements and any claiming retention of title over property in the company's possession).

[illegible]

**Signature**

Date 5/1/18.

*A. Hayes*

**Note:** You must include all creditors who are consumers (i.e. an individual acting for purposes that are wholly or mainly outside the individual's trade, business, craft or profession) claiming amounts paid in advance for the supply of goods or services (and indicate whether any are also creditors under hire-purchase, chattel leasing or conditional sale agreements and any claiming retention of title over property in the company's possession).

Signature A. Hayes Date 5/1/18.



Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ADAM HAYES	54, ASHLEIGH DRIVE, NEWINGTON WARMS, CV11 6SF	38		
SIMON MONTGOMERY	COTTAGE FARM, TOMLOW, SOUTHAN STRATFORD UPON AVOON, CV47 8HU	39		
DAVID ROSENBERG	20, RUE DE WAMBRECHIES, 59237, VERLINGHEM, FRANCE	23		
	TOTALS	100		

**Signature**

Date \_\_\_\_\_

7/18



JTJ Workplace Solutions Limited (in Administration)

Estimated Outcome Statement as at 19 January 2018

	Notes	Statement of Affairs (book value) £	Actual position as at 19/1/18 £	Estimated future £	Final outcome £
<b>Assets not Specifically Pledged</b>					
Settlement for the transfer of the business and assets	1	225,000	22,500	202,500	225,000
Directors' Loan Account	2	Uncertain	Uncertain	Uncertain	Uncertain
<b>Estimated total surplus available to creditors</b>		<b>225,000</b>	<b>22,500</b>	<b>202,500</b>	<b>225,000</b>
<b>Expenditure</b>					
<b>Costs incurred pre-Administration</b>					
Pre-Appointment Joint Administrators' Fees	3		(8,720)	-	(8,720)
Pre-Appointment Joint Administrators' Expenses	3		(65)	-	(65)
Agents'/Valuers' Fees	3		(4,876)	-	(4,876)
Legal Fees	3		(6,389)	-	(6,389)
<b>Costs incurred during Administration</b>					
SFP Property Fees and Expenses	4		(1,615)	(7,485)	(9,100)
Joint Administrators' Remuneration	4		(28,008)	(74,992)	(103,000)
Joint Administrators' other Category 1 Expenses	5		(820)	(830)	(1,650)
Joint Administrators' other Category 2 Expenses	5		(214)	(31)	(245)
Agents'/Valuers' Fees	6		(19,375)	(1,500)	(20,875)
Legal Fees	7		(3,628)	(2,000)	(5,628)
Statutory Advertising	8		(85)	-	(85)
Insurance	9		-	(2,200)	(2,200)
<b>Total expenditure</b>			<b>(73,794)</b>	<b>(89,038)</b>	<b>(162,832)</b>
<b>Estimated total surplus to creditors</b>	10		<b>(51,294)</b>	<b>113,462</b>	<b>62,168</b>

NB All figures are subject to change and exclude VAT.

Notes

- 1 A settlement agreement was entered into with GML in relation to the settlement of the transfer of the business and assets. The settlement amount was £225,000.
- 2 As explained in the accompanying report, the Joint Administrators will complete an investigation into the Company's pre appointment affairs. A review of the Directors' loan accounts will be reviewed and any claim will be quantified and pursued.
- 3 See the body of the accompanying report for further information regarding the work carried out prior to Administration. The 'Actual position' column includes costs incurred, whether or not they have been drawn. The 'Estimated future' column includes costs anticipated to be incurred in finalising the case.
- 4 The Joint Administrators instructed SFP Property Limited to assist them with property matters arising in the Administration.
- 5 See the body of the accompanying report for further information on the Joint Administrators' disbursements.
- 6 Breal's costs for conducting a valuation of the business and assets, and providing assistance with any third party claims.
- 7 The Joint Administrators instructed solicitors, Freeths, to assist in placing the Company into Administration, undertake a general validity review and assist with the settlement documentation.
- 8 Statutory advertising services are provided by Courts Advertising.
- 9 Insurance is required in relation the various premises until it is confirmed that the Company has no ongoing responsibilities for them. Insurance services are provided by Willis Towers Watson and the amount has been estimated.
- 10 As detailed in the accompanying report, the surplus funds will be distributed to unsecured creditors via the prescribed part and to NatWest under its floating charge.

**JTJ Workplace Solutions Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT D**

- **The Joint Administrators' Receipts and Payments Account to 19 January 2018**

**JTJ WORKPLACE SOLUTIONS LIMITED  
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FROM 8 DECEMBER 2017 TO 19 JANUARY 2018**

	Notes	Statement of Affairs £	From 8 Dec 17 to 19 Jan 18 £
<b>RECEIPTS</b>			
Settlement for the transfer of the business and assets		225,000.00	22,500.00
<b>TOTAL RECEIPTS</b>		225,000.00	22,500.00
			<b>From 8 Dec 17 to 19 Jan 18 £</b>
<b>PAYMENTS</b>			
Statutory Advertising			84.60
<b>TOTAL PAYMENTS</b>			84.60
<b>BALANCE IN HAND</b>			22,415.40
<b>REPRESENTED BY</b>			
Interest Bearing Current Account			22,398.48
VAT Receivable			16.92
<b>BALANCE IN HAND</b>			22,415.40

**NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

**Notes**

- 1 Details of material disbursements/expenses incurred to date are as follows:

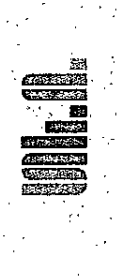
Bond premium	£575.00
Credit search fees	£5.00
Postage	£47.90
Meals and drinks	£42.75
Travel	£148.85
Mileage	£213.66

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX II**

- **Breakdown of Pre-Administration Time Costs for SFP**



JTJ WORKPLACE SOLUTIONS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PRE APPOINTMENT PERIOD

CLASSIFICATION OF WORK FUNCTION	Time spent in the pre appointment period					Total Costs £
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours Incurred	
Statutory and General Administration	12.00	4.90	1.90	5.10	23.90	8,460.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	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
Creditors and Members	0.00	0.80	0.00	0.00	0.80	260.00
Total	12.00	5.70	1.90	5.10	24.70	8,720.00

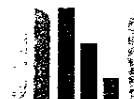
See Appendix for Summary Charge Out Rates for staff

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX III**

- **Charge-out Rates and Bases of Disbursements**



### Charge-out rates for office holders and their staff and bases of calculation of disbursements

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at <http://panel.sfpgroup.com/> or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk)

SFP Restructuring Limited	
Grade	Rate £/hr
Director 2	500
Director 1	450
Senior Manager 2	350
Senior Manager 1	325
Manager 2	300
Manager 1	275
Assistant Manager	260
Senior Administrator 2	250
Senior Administrator 1	225
Administrator 2	175
Administrator 1	150
Assistant	100
Data Store Administrator	75

#### Category 1 Disbursements

Category 1 disbursements 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. Postage directly incurred on the case is also charged at cost as at Category 1 disbursement. Legislation provides that office holders may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.

#### Category 2 Disbursements

Category 2 disbursements 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 disbursements after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holder's disbursements in this category.

<u>Stationery / Photocopying – standard charge</u>		<u>Stationery / Photocopying – exceptional charge</u>		<u>Mileage</u>	
A single charge will be made to cover the initial mail-out to creditors and members. The charge therefore is dependent upon the type of insolvency and the number of creditors and members.		In the event that an exceptional circular (i.e. not including expected circulars such as notices of appointment) is sent to at least 100 recipients, it will be charged on the following basis.		(Note: if, as an alternative to using the pool or personal car, public transport is used, the costs will be charged as a Category 1 disbursement.)	
	Charge per creditor / member (£)		Per page / envelope (£)		Per mile (£)
Administration ("ADM")	0.24	1 page of headed paper	0.12	Pool car	1.10
CVL (following ADM)	0.16	1 page of continuation paper	0.10	Director's / staff's personal car	0.45
CVL (not following ADM)	0.20	1 page of photocopying paper	0.02	Additional cost for each passenger in colleague's personal car	0.05
CVA	0.20	Envelopes (all sizes)	0.10		
Compulsory Liquidation (note: only creditors charged)	0.22				
Bankruptcy	0.22				





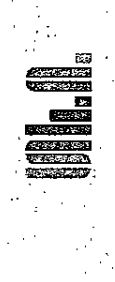
Category 2 Disbursements (continued)			
Charges for Record Archiving		SFP Property Limited	
<p>In most cases, the office holders' staff arrange for collection of the company's books and records and create an inventory. The records are then delivered to the storage facilities of an independent agent, who will then be responsible for the records' ongoing storage, responding to retrieval requests and the records' eventual destruction (usually 12 months after the company's dissolution). SFP charges on the following bases (exclusive of staff time costs and the costs of the independent agents):</p>		<p>SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below.</p>	
	<b>Charge</b>	<b>Grade</b>	<b>Rate £/hr</b>
Provision of archive boxes	£5 per box	Director	350
Retrieval costs from site	£1.10 per mile	Senior Manager 2	275
Same Day Delivery (up to 10 items)	£22.50	Senior Manager 1	250
Per item thereafter	£1.50	Manager 2	225
Delivery to third party offices (up to 10 items)	£15.00	Manager 1	200
Per item thereafter	£1.50	Senior Administrator 2	175
		Senior Administrator 1	155
		Administrator 2	135
		Administrator 1	115
		Assistant	100
		<p>SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.</p>	

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX IV**

- **Breakdown of Time Costs for SFP**



**JTI WORKPLACE SOLUTIONS LIMITED (IN ADMINISTRATION)**

**SUMMARY OF TIME INCURRED FOR THE PERIOD 08 DECEMBER 2017 TO 19 JANUARY 2018**

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 08 DECEMBER 2017 TO 19 JANUARY 2018					Total Time spent 08 DECEMBER 2017 TO 19 JANUARY 2018			
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours Incurred	Average rate £/hour	Total Costs £
Statutory and General Administration	13.50	24.70	16.70	12.10	67.00	18,917.00	67.00	282.34	18,917.00
Investigations	0.00	1.10	0.00	1.20	2.30	406.00	2.30	176.52	406.00
Realisation of assets	9.50	8.90	0.70	0.00	19.10	7,765.50	19.10	406.57	7,765.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	1.70	0.30	3.70	5.70	919.50	5.70	161.32	919.50
Total	23.00	36.40	17.70	17.00	94.10	28,008.00	94.10	297.64	28,008.00

See Appendix for Summary Charge Out Rates for staff

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX V**

- **Breakdown of Time Costs for SFP Property**



JTJ WORKPLACE SOLUTIONS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 08 DECEMBER 2017 TO 19 JANUARY 2018

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 08 DECEMBER 2017 TO 19 JANUARY 2018					Total Time spent 08 DECEMBER 2017 TO 19 JANUARY 2018		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours Incurred	Total Costs £	Total hours Incurred	Average rate £/hour
Statutory and General Administration	0.00	0.00	0.00	3.20	3.20	320.00	3.20	100.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	3.70	0.00	0.00	0.00	3.70	1,295.00	3.70	350.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3.70</b>	<b>0.00</b>	<b>0.00</b>	<b>3.20</b>	<b>6.90</b>	<b>1,615.00</b>	<b>6.90</b>	<b>234.06</b>
								<b>1,615.00</b>

See Appendix for Summary Charge Out Rates for staff

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX VI**

- **The Joint Administrators' Fees Estimate**

## JTJ Workplace Solutions Limited (in Administration)

### The Joint Administrators' Fees Estimate as at 19 January 2018

Below is the Joint Administrators' fees estimate in respect of the above case for the purpose of obtaining approval of the basis of the office holders' fees. The total time costs estimated to be incurred is £103,000 for 373 hours at an average hourly rate of £276.14. Please note that this estimate includes time costs already incurred, details of which are provided at **Appendix III**.

This firm's current charge-out rates may be found at **Appendix II**.

Legislation requires fees estimates to detail the work that the office holders propose to undertake and the time that they estimate the work will take to complete. For the sake of completeness, this estimate lists all the tasks that the Joint Administrators and their staff *may* undertake (including those already undertaken), but the estimate of hours reflects only the time that the Joint Administrators anticipate is *likely* to be incurred, given the circumstances of the case as they are understood at present. To assist creditors in understanding the most material tasks that the Joint Administrators expect to undertake, please refer to the document to which this forms an appendix.

This estimate of time covers the work anticipated to be undertaken to the completion of the Administration, subject to the assumptions listed in Section 6 of the document to which this forms an appendix. The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from the relevant creditors.

Time cost categories	Tasks included	No. of hours estimated to be incurred
<b>Statutory and General Administration</b>	<b>(including 67 hours spent to date)</b>	<b>195</b>
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, team members, SFP Property and independent advisers to consider practical, technical and legal aspects of the case Receiving and considering progress reports from SFP Property Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment Support staff's creation of standard letters and forms Entering creditors' names and addresses onto database	
Appointment notification	Statutory notices and advertisements on appointment Initial meeting with company officers Notifying insurers, bank and other third parties	
Records of insolvent and office holder	Collecting the company's books and records Seeking delivery of books and records from third parties Creating an inventory of the company's books and records Retrieving and reviewing books and records from storage Maintaining office holders' files, filing electronic and hard copy correspondence Support staff's processing of the teams' instructions to issue letters Completing checklists Maintaining statutory and case progression task lists and diaries	
Statutory duties	Preparing, circulating and filing Proposals and statutory fee-related information Where a vote is conducted by correspondence: Preparing and issuing notices and voting forms Collating and examining proofs and votes to conclude decisions Responding to queries and questions regarding Proposals and voting process Issuing and filing statutory notice on conclusion of voting process Where no votes from unsecured creditors are sought: Liaising with secured creditors (and preferential creditors, where appropriate) to seek approval of statutory matters Responding to queries and questions regarding Proposals Issuing and filing Notice of Approval of Proposals In the event that creditors requisition a physical meeting: Preparing and issuing meeting notices and voting forms Advertising meeting Collating and examining proofs and proxies Responding to queries and questions regarding Proposals and meeting Holding meeting and completing minutes Issuing and filing statutory notice on conclusion of meeting Preparing, circulating and filing six monthly progress reports, final report and associated statutory notices Seeking approval of extension from relevant creditors and issuing notice of extension (where appropriate) In the event that a court extension is required:	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> <li>Preparing application to court for an extension and accompanying witness statement with the assistance of solicitors</li> <li>Liaising with solicitors regarding the application and court order</li> <li>Issuing and filing notice of extension</li> <li>Posting all statutory reports and notices to the firm's website for access</li> </ul>	
Estate accounting	<ul style="list-style-type: none"> <li>Correspondence regarding opening and closing accounts</li> <li>Requesting bank statements</li> <li>Bank account reconciliations</li> <li>Raising fee and disbursement invoices</li> <li>Reviewing suppliers' invoices and approving for payment</li> <li>Banking remittances and issuing cheques/BACS payments</li> <li>Maintaining the estate cash book and journaling transactions</li> <li>Periodic reviews of the summary of receipts and payments to ensure its accuracy</li> </ul>	
Post-appointment tax	<ul style="list-style-type: none"> <li>Calculating corporation tax due on post-appointment disposals and submitting tax returns</li> <li>Arranging VAT de-registration</li> <li>Completing VAT returns and applying for VAT refunds after de-registration</li> <li>Dealing with tax-related correspondence</li> </ul>	
Compliance	<ul style="list-style-type: none"> <li>Completing statutory due diligence checks and an ethics review regarding the appointment</li> <li>Pursuing relevant parties for evidence of identity</li> <li>Seeking solicitors' advice on the validity of the appointment</li> <li>Carrying out periodic file reviews</li> <li>Periodic reviews of the application of ethical, anti-money laundering and anti-bribery threats and safeguards</li> <li>Arranging the statutory bond and periodically reviewing its adequacy</li> <li>Assessing the options for exiting the Administration and obtaining internal clearance for closure and the exit route chosen</li> <li>Periodically reviewing the cash book receipts and payments account for accuracy</li> </ul>	
Information technology	IT department's support of the case administration team as regards maintaining, and extracting data from, the company's computer systems	
<b>Investigations (including 2.3 hours spent to date)</b>		<b>68</b>
Case preparation	Pursuing the return of directors' questionnaires	
Initial review	Reviewing questionnaires submitted by creditors and directors	
Investigations	<ul style="list-style-type: none"> <li>Correspondence to request information on the company's dealings and to make further enquiries of third parties</li> <li>Reviewing the company's books and records to identify inconsistencies or unusual transactions</li> <li>Review of specific transactions and exchanges with directors and accountants regarding certain transactions</li> <li>Undertaking background searches</li> <li>Liaising with the committee or (major) creditors about further action to be taken</li> </ul>	
Pursuing claims identified	<ul style="list-style-type: none"> <li>In the event that one or more causes of action are identified for pursuit: <ul style="list-style-type: none"> <li>Liaising with solicitors regarding examinations</li> <li>Attendance at examination</li> <li>Reviewing examination transcripts</li> <li>Liaising with solicitors regarding outcome of examinations and further actions available</li> <li>Meetings internally to discuss progress and strategy of litigation</li> <li>Seeking funding from creditors</li> <li>Instructing agents to assist in investigations</li> <li>Reviewing terms of solicitors' conditional fee agreements</li> <li>Preparing brief to solicitors/Counsel</li> <li>Liaising with solicitors regarding recovery actions</li> <li>Dealing with ATE insurers</li> <li>Attending to negotiations</li> <li>Attending to settlement matters and agreements</li> <li>Pursuing settlement and other payments</li> </ul> </li> </ul>	
Reports	<ul style="list-style-type: none"> <li>Preparing and submitting statutory reports to the Insolvency Service</li> <li>Liaising with the Insolvency Service</li> <li>Assisting the Insolvency Service with its investigations</li> </ul>	
Administrative work	<ul style="list-style-type: none"> <li>Other correspondence</li> <li>Support staff's assistance with correspondence and maintaining files</li> </ul>	
Handling and examining records	<ul style="list-style-type: none"> <li>Extracting data from the company's computer systems</li> <li>Collecting the company's books and records for investigation purposes</li> <li>Travelling associated with the above</li> </ul>	
Strategy and planning	Internal meetings to discuss findings, potential actions and strategies for further investigations	



Time cost categories	Tasks included	No. of hours estimated to be incurred
<b>Realisation of Assets</b> (including 19.10 hours spent to date)		<b>50</b>
Identification, securing, insuring assets	<ul style="list-style-type: none"> <li>Identifying assets by consulting with directors, employees and third parties</li> <li>Reviewing fixed asset register and other company records</li> <li>Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>Reviewing insurance policies</li> <li>Seeking insurance refunds</li> <li>Correspondence with previous brokers/insurers</li> <li>Terminating insurances and agreeing final bills</li> <li>Depending on the existence, location and condition of physical assets: <ul style="list-style-type: none"> <li>Physical examination of company premises</li> <li>Investigating the company's security arrangements and arranging changes where appropriate</li> <li>Reviewing and amending where appropriate the security and viability of the company's computer systems</li> <li>Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews</li> <li>Identification of potential issues requiring attention of insurance specialists</li> </ul> </li> </ul>	
Retention of title	<ul style="list-style-type: none"> <li>In the event of receiving retention of title claim(s): <ul style="list-style-type: none"> <li>Dealing with initial notifications of creditor's intention to claim</li> <li>Liaising with agents to process claims</li> <li>Meeting claimant on site to identify goods</li> <li>Examining retention of title claim documentation and adjudicating on claims</li> <li>Exchanges with solicitors in deciding complex claims and dealing with disputes</li> <li>Correspondence with claimant notifying of the outcome of adjudication and dealing with additional responses</li> <li>Settlement of claim, where appropriate</li> </ul> </li> </ul>	
Property - negotiations	<ul style="list-style-type: none"> <li>Depending on the property interests in existence: <ul style="list-style-type: none"> <li>Instructing agents as regards valuations and proposed marketing strategies</li> <li>Discussing and agreeing strategies with office holders, teams and SFP Property/agents</li> <li>Undertaking oral and written negotiations with interested parties</li> <li>Dealing with tenant issues (if any)</li> <li>Liaising with secured creditors, landlords and any LPA Receivers</li> <li>Reviewing draft sale documentation</li> <li>Liaising with SFP Property, agents and solicitors</li> <li>Undertaking work regarding utilities and business rates, including seeking refunds where possible</li> <li>Liaising with HMRC as regards option to tax</li> </ul> </li> </ul>	
Property – professional advice	<ul style="list-style-type: none"> <li>Depending on the property interests in existence: <ul style="list-style-type: none"> <li>Agreeing method statement with SFP Property/agents</li> <li>Reviewing valuation report</li> <li>Invoicing for and collection of rent from tenants or licensees</li> <li>Reviewing updates from SFP Property/agents</li> <li>Discussions and meetings with the office holders, teams and SFP Property/agents regarding strategies</li> <li>Reviewing completion statement</li> </ul> </li> </ul>	
In-situ sale	<ul style="list-style-type: none"> <li>In the event that an in-situ sale is progressed: <ul style="list-style-type: none"> <li>Instructing and liaising with agents as regards valuations and marketing strategies</li> <li>Considering agents' updates on efforts to sell business and assets, reviewing strategies and discussing offers received</li> <li>Liaising with potential purchasers</li> <li>Agreeing licences to trade/occupy</li> <li>Assessment and review of offers received</li> <li>Negotiating with intended purchaser</li> <li>Liaising with secured creditors and seeking releases</li> <li>Compiling information for SPA</li> <li>Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures)</li> <li>Exchanges with solicitors to agree the terms of the SPA</li> <li>Pursuing deferred sale consideration</li> </ul> </li> </ul>	
Asset sale and other realisations	<ul style="list-style-type: none"> <li>In the event that assets are sold ex-situ: <ul style="list-style-type: none"> <li>Instructing and liaising with agents as regards valuations and marketing strategies</li> <li>Liaising with landlords as regards access to and ownership of assets</li> <li>Considering agents' updates on efforts to sell assets, reviewing strategies and discussing offers received</li> <li>Liaising with potential purchasers</li> <li>Assessment and review of offers received</li> <li>Negotiating with intended purchaser</li> <li>Liaising with secured creditors and seeking releases</li> <li>Compiling information for SPA (if any)</li> </ul> </li> </ul>	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> <li>Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures)</li> <li>Exchanges with solicitors to agree SPA</li> <li>Pursuing sales consideration</li> <li>Depending on the existence of relevant assets: <ul style="list-style-type: none"> <li>Liaising with agents and owners/lessors of leased assets</li> <li>Reviewing stock values</li> <li>Analysing the value in WIP and costs to complete</li> <li>Contracting with service-providers/suppliers to complete WIP</li> <li>Arranging for post-appointment sales invoices to be issued and pursuing payments</li> <li>Liaising with insurance companies and directors to pursue insurance claims</li> <li>Examining company records to support tax refunds</li> <li>Exchanges with HMRC regarding tax refunds</li> <li>Pursuing transfer of credit balances from banks</li> </ul> </li> </ul>	
Debt collection - reporting	<ul style="list-style-type: none"> <li>Depending on the existence of book debts: <ul style="list-style-type: none"> <li>Discussions with office-holders, teams, agents and solicitors regarding collection strategies</li> </ul> </li> </ul>	
Debt collection – communications	<ul style="list-style-type: none"> <li>Depending on the existence of book debts: <ul style="list-style-type: none"> <li>Correspondence with debtors</li> <li>Receiving updates from any factoring companies</li> <li>Where relevant, agreeing debt collection agency agreements and monitoring agents' progress</li> <li>Submitting VAT bad debt relief claims</li> <li>Responding to factoring company's queries and providing documents/information to support debts</li> <li>Liaising with debt collectors and solicitors</li> <li>Resolving disputes, including communicating with directors/former staff</li> <li>Pursuing credit insurance claims</li> </ul> </li> </ul>	
Debt collection – review of sales ledger	<ul style="list-style-type: none"> <li>Monitoring monies received into pre-appointment bank account and seeking transfer to office holders' account</li> <li>Collecting and reviewing supporting documentation including associated travelling</li> <li>Reconciling debtors' accounts with reference to monies received pre and post appointment</li> <li>Reviewing and assessing debtors' ledgers</li> <li>Dealing with any reassignment of ledger</li> </ul>	
<b>Creditors</b> (including 5.7 hours spent to date)		<b>60</b>
Communication with unsecured creditors	<ul style="list-style-type: none"> <li>Respond to creditors' enquiries by telephone, post and email</li> <li>Correspondence with creditors and their representatives, insurers etc.</li> <li>Updating database regarding creditors' contact details</li> <li>In the event that a Creditors' Committee is formed: <ul style="list-style-type: none"> <li>Holding an initial meeting of the Committee</li> <li>Reporting to Committee members</li> <li>Seeking the Committee's approval on case strategy and statutory matters</li> <li>Calling and holding meetings of the Committee as required and as the circumstances of the case dictate</li> <li>Completing statutory filing</li> </ul> </li> </ul>	
Creditor claims	<ul style="list-style-type: none"> <li>Recording claims onto database, marking as admitted, pending adjudication etc.</li> <li>Filing of claims and supporting documentation</li> <li>In the event that one or more distributions are paid in the Administration: <ul style="list-style-type: none"> <li>Preparation of correspondence to potential creditors inviting submission of claims</li> <li>Adjudicating claims</li> <li>Requesting further information from claimants regarding claims</li> <li>Preparation of correspondence to claimants advising of the outcome of adjudication</li> <li>Dealing with any appeals to rejections of claims</li> <li>Seeking solicitors' advice on the validity and quantity of complex claims</li> <li>Preparation of correspondence to creditors advising of intention to declare distribution</li> <li>Advertisement of notice of intended distribution</li> <li>Preparation of distribution calculation, including where appropriate calculations of the statutory net property and prescribed part</li> <li>Preparation of correspondence to creditors announcing declaration of distribution</li> <li>Preparation of cheques/BACS to pay distribution</li> <li>Preparation of correspondence to creditors enclosing payment of distribution</li> <li>Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC</li> <li>Dealing with unclaimed dividends</li> </ul> </li> </ul>	
ERA	<ul style="list-style-type: none"> <li>Where the following have not been carried out as part of trading activities and any staff remain employed by the company on the Joint Administrators' appointment: <ul style="list-style-type: none"> <li>Arranging for the election of employee representatives</li> <li>Consultation with staff, employee and Union representatives and sub-contractors</li> <li>Contacting absent/remote-working staff by telephone</li> <li>Liaising with the Pensions Regulator regarding auto-enrolment</li> </ul> </li> </ul>	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<p>Where any post-appointment wages are paid, liaising with accountants/book-keepers regarding arrangements for setting up a new PAYE scheme with HMRC and submitting online payroll returns</p> <p>Instructing accountants/book-keepers to process payroll</p> <p>Arranging payment of tax and pension contributions</p> <p>Deciding on and making redundancies when and where necessary</p> <p>Updating staff periodically and as material events occur</p> <p>Dealing with employee queries and issues arising, e.g. disciplinary actions, Employment Tribunals and complaints</p> <p>Liaising with RPO and Job Centre Plus regarding redundancies</p> <p>Concluding payroll and issuing forms P45 on redundancies/transfers</p> <p>Seeking legal advice to assist with employee matters, where necessary</p> <p>In all cases:</p> <p>Assisting employees to pursue claims via the RPO</p> <p>Corresponding with the PPF, the Pensions Regulator, pension Trustees and pension administrator</p> <p>Instructing specialists to review pension obligations</p> <p>Reviewing professional advice regarding status of pension</p> <p>Dealing with the pension to conclude the office holders' obligations</p>	
Property - negotiations	<p>Liaising with landlord to mitigate claims</p> <p>Agreeing landlord's claims, where a dividend is anticipated</p> <p>Dealing with tenants' and other third party claims</p>	
Property – professional advice	<p>Where a dividend is anticipated:</p> <p>Reviewing dilapidations claims</p> <p>Adjudicating on landlords' claims and other claims related to the property with the assistance of agents and/or solicitors where necessary</p>	
Communication with secured creditors	<p>Depending on the existence and distribution prospects of secured creditors:</p> <p>Providing oral and written updates to secured creditors on progress of the insolvency and prospects of recovery</p> <p>Seeking solicitors' advice on the validity of secured creditors' claims</p> <p>Agreeing allocation of realisations and costs between fixed and floating charges</p> <p>Paying distributions to secured creditors and seeking confirmation of discharged claims</p>	
Pre-appointment taxation	<p>Reviewing HMRC's claims</p> <p>Submitting pre-appointment VAT, corporation tax and PAYE/NIC/CIS returns and/or appealing assessments, where a dividend to non-preferential unsecured creditors is anticipated</p>	
<b>Estimated total hours</b>	<b>(including 94.1 hours spent to date)</b>	<b>373</b>
<b>Estimated total fee</b>	<b>(at an average charge-out rate of £276.14 per hour) (including £28,008 incurred to date)</b>	<b>£103,000</b>

**JTJ Workplace Solutions Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX VII**

- **The Joint Administrators' Expenses Estimate**

## JTJ Workplace Solutions Limited (in Administration)

### The Joint Administrators' Expenses Estimate as at 19 January 2018

Below is the estimate of the Joint Administrators' expenses that have been, or are likely to be, incurred in administering the insolvent estate. These expenses comprise Category 1 and Category 2 expenses. Office holders are entitled by statute to discharge Category 1 expenses from the insolvent estate. Category 2 expenses may be paid from the estate provided that the relevant creditors have authorised their payment. Further information regarding this approval process is provided in the report to which this forms an attachment.

<b>Expenses Category 1</b>	<b>Estimate of total</b>
<b>Solicitors</b> (providing advice and assistance in respect of the validity of security and the office holders' appointment, ROT, settlement of the transfer of the business and assets, potential rights of action)	<b>£5,628</b>
<b>Agents / Valuers</b> (providing a valuation, assisting with a settlement of the transfer of the Company's business and assets and assisting with any ROT and HP creditors)	<b>£20,875</b>
Advertising	<b>£85</b>
Bonding	<b>£575</b>
Insurance	<b>£2,200</b>
Postage	<b>£70</b>
Storage and eventual destruction (if the exit is by dissolution) of the company's books and records (independent agents)	<b>£800</b>
Subsistence and accommodation whilst attending on-site	<b>£50</b>
Travel (excluding own vehicle use)	<b>£150</b>
Credit search	<b>£5</b>
<b>Total</b>	<b>£30,438</b>

<b>Expenses Category 2</b> <b>(for details of the bases on which these expenses are calculated, see Attachment B)</b>	<b>Estimate of total</b>
<b>SFP Property</b> (assisting with all property-related matters)	<b>£9,100</b>
Stationery / photocopying	<b>£30</b>
Mileage	<b>£215</b>
<b>Total</b>	<b>£9,345</b>

SFP Property Summary of work that has been, or likely will be, undertaken		
Time cost categories		Tasks undertaken
Statutory and General Administration		
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, their team members and independent advisers to consider practical, technical and legal aspects of the case Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment	
Appointment notification	Notifying insurers	
Post-appointment tax	Establishing position with HMRC regarding option to tax premises	
Realisation of Assets / Trading		
Identification, securing, insuring assets	Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies	
Property - negotiations	Undertaking initial instruction work as regards valuations and proposed marketing strategies Researching comparable property data/desktop property research Researching property status and condition Discussing and agreeing strategies with office holders Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Where there is a property interest to be sold: Reviewing draft sale documentation Liaising with agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible	
Property – professional advice	Finalising method statement with office holders, opening files Drafting and finalising valuation report Providing updates to the office holder Concluding the office holders' involvement in the property, business rates and utilities Depending on company's interest in property: Undertaking work regarding dilapidations and property repairs Site visits to monitor property Invoicing for and collection of rent from tenants or licensees Agreeing assignment, surrender or disclaimer of lease Reviewing completion statement	
Estimated total time costs		£9,000
Estimated total expenses (e.g. mileage, courier charges)		£100
ESTIMATED TOTAL COSTS TO BE INCURRED BY SFP PROPERTY (including costs to date of £1,615)		£9,100