

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

TUESDAY



A9I17JSA

A09

17/11/2020

#310

COMPANIES HOUSE

1 Company details

Company number 0 7 2 0 2 5 6 3

Company name in full Tough Mudder Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name Business and Property Courts of England and Wales
Insolvency and Companies List (CH)

Court case number 0 0 0 5 5 1 2 0 2 0

3 Administrator's name

Full forename(s) Michael

Surname Solomons

4 Administrator's address

Building name/number 82 St John Street

Street

Post town London

County/Region

Postcode E C 1 M 4 J N

Country

Corporate Advisory & Restructuring

82 St John Street
London EC1M 4JN

T +44 (0)20 7549 8050
F +44 (0)20 7549 2400

www.bm-advisory.com

201113006155C B1 29

Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ



Our ref: LB/TOU001MS

13 November 2020

Dear Sirs

Tough Mudder Ltd – In Administration (“the Company”)
Company number: 07202563

Please find attached form AM22, notice of the move from Administration to Creditors’ Voluntary Liquidation, together with a copy of my final report and form AM10.

Should you have any queries please do not hesitate to contact Louise Bennett of this office.

Yours faithfully
For and on behalf of
Tough Mudder Ltd

Michael Solomons
Joint Administrator



AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ①

Full forename(s)	Andrew
Surname	Pear

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

6 Administrator's address ②

Building name/number	82 St John Street
Street	
Post town	London
County/Region	
Postcode	E C 1 M 4 J N
Country	

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

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)	
Surname	director

8 Proposed liquidator's name

Full forename(s)	Michael
Surname	Solomons
Insolvency practitioner number	9 0 4 3

9 Proposed liquidator's address

Building name/number	82 St John Street
Street	
Post town	London
County/Region	
Postcode	E C 1 M 4 J N
Country	



AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Andrew
Surname	Pear
Insolvency practitioner number	9 0 1 6

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

11 Proposed liquidator's address^②

Building name/number	82 St John Street
Street	
Post town	London
County/Region	
Postcode	E C 1 M 4 J N
Country	

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

12 Period of progress report

From date	^d 2 ^d 4	^m 0 ^m 7	^y 2 ^y 0	^y 2 ^y 0
To date	^d 1 ^d 3	^m 1 ^m 1	^y 2 ^y 0	^y 2 ^y 0

13 Final progress report

☒ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	Signature 	X		
Signature date	^d 1 ^d 3	^m 1 ^m 1	^y 2 ^y 0	^y 2 ^y 0

**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 **Louise Bennett**

Company name **BM Advisory**

Address **82 St John Street**

Post town **London**

County/Region

Postcode **E C 1 M 4 J N**

Country

DX

Telephone **020 7549 8050**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



Tough Mudder Ltd
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
POST APPOINTMENT SALES		
Corporate ticket sales	NIL	5,908.31
Ticketsales	NIL	166,666.67
	NIL	172,574.98
OTHER DIRECT COSTS		
Sub Contractors	NIL	11,724.52
Wages	NIL	54,542.27
Staff expenses	NIL	1,547.52
Payroll services	NIL	575.07
	NIL	(68,389.38)
TRADING EXPENDITURE		
BID Levy	259.08	259.08
Rates	8,821.21	10,207.90
Storage	NIL	11,727.63
Electricity	NIL	146.74
Insurance	NIL	322.32
Bank charges	NIL	150.00
Paid media/rebuilds	NIL	13,000.00
Shipping costs	NIL	5,748.76
Pension contributions	NIL	5,489.30
PAYE/NIC/Student loans/SMP	NIL	15,184.60
	(9,080.29)	(62,236.33)
TRADING SURPLUS/(DEFICIT)	(9,080.29)	41,949.27

Tough Mudder Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
ASSET REALISATIONS		
120,673.00	NIL	120,673.00
	810.00	2,160.00
415,624.00	NIL	415,624.00
54,267.25	NIL	53,396.41
	NIL	1,264.56
10,000.00	NIL	10,000.00
500.00	NIL	500.00
Uncertain	NIL	NIL
1.00	NIL	1.00
5,700.00	NIL	5,700.00
	NIL	153,160.15
114,543.00	NIL	NIL
1.00	NIL	1.00
1.00	NIL	1.00
162,500.00	NIL	162,500.00
85,000.00	NIL	85,000.00
	(9,080.29)	41,949.27
	(8,270.29)	1,051,930.39
COST OF REALISATIONS		
	NIL	445.00
	NIL	12,250.00
	NIL	25.00
	NIL	280.05
	NIL	13,114.10
	28.36	28.36
	54.86	1,588.27
	36,888.00	180,788.00
	NIL	596.67
	5,000.00	62,236.98
	NIL	20.72
	NIL	11,234.50
	NIL	11,708.17
	NIL	720.00
	(41,971.22)	(295,035.82)
PREFERENTIAL CREDITORS		
(800.00)	NIL	NIL
(2,627.00)	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(21,460.00)	NIL	NIL
(101,433.00)	NIL	NIL
(3,526,588.00)	NIL	NIL
(552,289.70)	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100.00)	NIL	NIL
	NIL	NIL
(3,236,487.45)	(50,241.51)	756,894.57
REPRESENTED BY		
Estate account - non interest bearing		275,660.77



**Tough Mudder Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
REPRESENTED BY CONTINUED		
Trading Account		471,988.53
VAT control account		712.70
VAT receivable		8,532.57
		756,894.57

TO THE MEMBERS AND ALL KNOWN CREDITORS

Our ref: LB/TOU001MS

13 November 2020

Dear Sirs

Tough Mudder Ltd – In Administration (“the Company”)

Company Number: 07202563

High Court of Justice No. CR-2020-000551

Registered Office: 82 St John Street, London, EC1M 4JN (formerly 125 Wood Street, London, EC2V 7AW)

Andrew Pear and I, both of BM Advisory of 82 St John Street, London, EC1M 4JN, were appointed Joint Administrators of the Company on 24 January 2020, following an application by the director. The Notice of Appointment was filed in the High Court of Justice under reference number CR-2020-000551.

The Joint Administrators have exercised all of their functions jointly and severally as stated in the Notice of Appointment.

The purpose of this final report is to inform creditors that the Administration will be converted to a Creditors’ Voluntary Liquidation for the reasons set out below. Accordingly, I now provide creditors with a final account of the Administration, for the period 24 July 2020 to 13 November 2020 (the reporting period). This report should be read in conjunction with my earlier reports to creditors, copies of which are available on request.

CONDUCT OF THE ADMINISTRATION

On appointment the Administrators traded the business as a going concern in order to maximise realisations for creditors and finalised a sale of the Company’s business and assets shortly after their appointment. In the previous reporting period, all matters relating to the sale agreement were dealt with, including the assignment of certain contracts to the purchaser, OCR UK Holdings Limited (“OCR”). Please refer to my previous report for further information regarding the reasons for trading the business and actions taken since appointment.

During this reporting period, time has been spent issuing the six month progress report to members and creditors and fulfilling the statutory compliance and reporting obligations with the purpose to convert the Administration to Liquidation in order to facilitate a dividend to creditors. In the Liquidation, the Company’s remaining assets will be realised, being the collection of tax refunds from the Administration period, realisation of debtors and a potential dividend due from the insolvency proceedings of its US parent. My investigations into the Company’s affairs prior to the appointment will continue. Further details are set out in this report.

As detailed in my previous reports, the purpose of the Administration was to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in



Administration. This has been achieved by trading the business and achieving a sale as a going concern, which included the transfer of employees to OCR, and the continuation of a viable business.

The Joint Administrators' proposals attached at **Appendix I** were approved by correspondence on 27 March 2020. There has been no amendment or deviation from the proposals.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account for the reporting period, together with the whole period of the Administration, detailing a balance on hand of £747,649, with VAT refunds to receive in the Liquidation totalling £9,245. The funds are held in a non-interest bearing estate accounts and were separated for ticket sales, trading costs and estate monies accordingly.

ASSETS

Trading

The decision was made to trade the business as it was considered asset realisations would be maximised if the business could be sold as a going concern. In this reporting period, all trading revenue and costs have been finalised. The costs of trading were covered by ticket sales achieved, including the Administrators' time costs and there are no surplus funds to pay to OCR in accordance with the terms of the sale agreement.

Sale of business and assets

A sale of the Company's business and assets was completed to OCR on 12 February 2020 for a total consideration of £800,000. Payment was received in full on completion and a detailed breakdown of the consideration achieved against the valuation was provided in the Administrators' proposals.

Book debts (excluded from the sale agreement)

A debtor due from Bentley Harrington Limited t/as UNILAD – In Administration ("BH") was excluded from the sale agreement. The Administrators of BH have since declared two interim distributions totalling 80 pence in the £ and £2,160 has been received, with £810 in this reporting period. A further distribution is anticipated but the quantum and timing is currently uncertain. Any further distributions from BH will be recovered in the Liquidation.

Cash at bank

The Company held several pre-appointment bank accounts with HSBC Bank plc ("HSBC") and the credit balances have been realised.

Deposit refunds

The Company received a refund in respect of a damages deposit held by Lambeth Council. No further recoveries are anticipated in this regard.

Intercompany loans

The Company is owed circa £9.4m in intercompany loans, please refer to my previous reports for a breakdown by entity. As previously reported any recovery of these loans was only expected from the US parent and the Administrators continue to be in correspondence with the US Trustees with regards to the likelihood of a distribution to creditors. Dividend prospects are dependent upon the outcome of the Trustees' ongoing investigations and this will continue to be monitored in the Liquidation.

Pre-apt VAT refund

The Company's pre-appointment VAT refund was received in the last reporting period and no further recoveries are expected.

Rent deposit

As reported, COVID-19 had a significant and ongoing impact on OCR's ability to run events and as a result OCR was not in a position to take an assignment of the Company's lease in Brixton. It was agreed with all parties to accept an informal surrender of the lease and the rent deposit was taken by the landlord to cover unpaid rent, costs and dilapidations on the basis that it would not submit an unsecured claim in the Administration, resulting in a better return to the remaining creditors.

LIABILITIES

Secured creditor

The Company granted registered charges over the rent deposit. HSBC held a fixed charge over certain cash deposits, which related to credit card payments and was owed £344 under the charge on appointment. This balance was not deducted from the cash balance transferred to the Administration to satisfy the charge and this will be investigated with HSBC in the Liquidation.

Preferential creditors

Under the terms of the sale agreement, all employees of the Company were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

As previously advised, a small balance of £2,627 is due in respect of outstanding pre-appointment employee and employer contributions. Once final information can be obtained from the Company's former payroll provider a submission will be made to the Redundancy Payments Service ("RPS") and a proof of debt requested. Furthermore, the former managing director resigned prior to appointment and is entitled to claim for benefits owed to him by the Company. On present information, it is expected preferential creditors will be paid in full in the Liquidation.

Unsecured creditors

An unsecured balance is owed to the former managing director in respect of unpaid employment benefits and a claim has been submitted to the RPS accordingly. Unsecured trade and expense creditors were estimated to total £653,723, including HMRC at £101,433. An outstanding intercompany loan is due to Tough Mudder GmbH - In Liquidation ("TM Ger") in the amount of £3,526,588.

To date, I have received trade and expense claims in the amount of £533,797, including HMRC at £88,623. TM Ger submitted its claim in full prior to entering insolvency proceedings.

DIVIDENDS

Following the payment of preferential creditors in full, a dividend will be declared to unsecured creditors and accordingly the Company will move to a Creditors' Voluntary Liquidation in order to facilitate the distribution. A proof of debt form is attached at **Appendix III**, for those creditors who have not yet submitted a claim.

PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986 ("the Act"), as long as the floating charge was registered later than 15 September 2003.

As advised, there is no floating charge registered after 15 September 2003 and therefore the prescribed part did not apply.



JOINT ADMINISTRATORS' INVESTIGATIONS

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved. I have made enquiries where necessary and I have taken the following action where I considered that further investigation was justified. My investigations are ongoing and will continue in the Liquidation.

I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work. I confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

On 27 March 2020, creditors approved the pre-Administration costs of BM Advisory, Penningtons Manches Cooper LLP and Howard Kennedy LLP by correspondence. These fees were paid in full in the previous reporting period in accordance with that approval.

JOINT ADMINISTRATORS' REMUNERATION

It was agreed by correspondence on 27 March 2020, that the Joint Administrators be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Administration of the Company.

During this reporting period, a total of 66.8 hours have been spent at a cost of £16,103, resulting in an average hourly charge out rate of £241. For the whole period of the Administration, I have spent 618.4 hours at a cost of £180,959, resulting in an average hourly rate of £293. This is compared to an anticipated 961 hours at an average hourly rate of £307, which I estimated at the outset of my appointment. A summary of my time costs for this reporting period and the work undertaken is attached at **Appendix IV**, together with a comparison to the original fee estimate approved by creditors, my time costs for the whole period of the Administration and BM Advisory's policy on fees.

The sum of £180,788 plus VAT has been drawn against these time costs, of which £36,888 plus VAT was drawn in this reporting period. The Joint Administrators' remuneration has been within the original fee estimate provided to creditors. My unpaid remuneration will be paid out of the assets of the Company in Liquidation and in priority to the costs and expenses of the Liquidation.

Detailed below are the expenses I expected to incur during the Administration and what I have incurred in this reporting period, together with details of what has been paid in this period and what remains unpaid.

		Estimated total cost	Incurred in period	Incurred to date	Paid during period	Remains unpaid
		£	£	£	£	£
Statutory advertising	Category 1	240.00	-	80.00	-	-
Printing	Category 2	123.00	-	58.35	-	-
Postage	Category 1	288.82	54.86	155.78	54.86	-
Subsistence and travel	Category 1	374.14	-	374.14	-	-
Conference calls	Category 1	20.00	-	20.00	-	-
Land Registry search	Category 1	3.00	-	-	-	-
Storage	Category 1	77.75	-	-	-	-
Bond	Category 1	900.00	-	900.00	-	-
Insurance	Category 1	450.00	28.36	350.68	28.36	-
TOTAL		2,476.71	83.22	1,938.95	83.22	-

During the Administration, I instructed professional advisors and agents to assist with various matters. Detailed below are the fee arrangements agreed in each instance, the estimated total cost and the costs incurred in this period and to date, together with fees paid in this period and what remains unpaid. The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and

nature of this assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances.

	Fee arrangement	Estimated total cost £	Incurred in period £	Incurred to date £	Paid during period £	Remains unpaid £
Matthew Martin, Penningtons	Time costs	56,000	5,000	62,237	5,000	-
Manches Cooper LLP						
Bryn Carroll (MRICS), Gordon Brothers	Time costs	12,695	-	12,250	-	-
International LLC						
Helme and Partners Limited	Time costs	-	-	720	-	-

Penningtons Manches Cooper LLP were instructed to assist with various matters in the Administration, relating to the sale of the business and assets, novation of supplier contracts to OCR and advising the Administrators in respect of the informal surrender of the lease. Gordon Brothers International LLC were engaged to value the Company's assets and conduct the marketing campaign. Helme and Partners Limited were engaged to assess the dilapidations claim submitted by the landlord during negotiations regarding the informal surrender.

Professional fees have exceeded the estimate previously given to creditors as it was originally anticipated that the lease would be assigned and a surveyor would not be required. It is not expected that further professional advisors will be required in the Liquidation.

A guide to fees can be found at www.bm-advisory.com/resources/ and provides information relating to Administrators' remuneration. A hard copy is available on request.

Please note that any secured creditor, or unsecured creditor with concurrence of at least 5% in value of the total unsecured creditors, may request further information in respect of the Administrators' remuneration and expenses. This must be sent in writing to the Administrators within 21 days of receipt of this progress report.

Furthermore, any secured creditor, or unsecured creditor with at least 10% in value of the total unsecured creditors, is entitled to challenge the remuneration and expenses. Any challenge must be brought within eight weeks of receipt of this progress report.

ENDING THE ADMINISTRATION

As approved by creditors in the Joint Administrators' Proposals, I am authorised to move the Company from Administration to Liquidation and the Joint Administrators may act as Joint Liquidators.

Notice of the move from Administration to Creditors' Voluntary Liquidation, was sent to the Registrar of Companies on 13 November 2020, a copy of which is attached at **Appendix V**. The purpose of the Liquidation is to realise the Company's remaining assets and pay a dividend to preferential and unsecured creditors.

The Joint Administrators will be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.

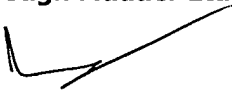


FURTHER INFORMATION

Information about our privacy policy, complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at www.bm-advisory.com/about/legals-compliance/. Should you require any further information, please do not hesitate to contact Louise Bennett on 020 7549 8002 or email louise.bennett@bm-advisory.com.

Yours faithfully

**For and on behalf of
Tough Mudder Ltd**



Michael Solomons
Joint Administrator

APPENDIX I



ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 of the Act, in order to achieve the objective of the Administration as set out in section 3 above, it is proposed to creditors that:

- (a) The Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
 - (i) they realise the Company's remaining assets, being the amounts held in the pre appointment bank accounts, the rent deposit following the assignment of the lease and any monies due from the outstanding intercompany loans. Furthermore, they realise the trading revenue generated during the Administrators' trading period to cover all trading costs and transfer the balance to the purchaser
 - (ii) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient
 - (iii) 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 which supplies or has supplied goods or services to the Company
 - (iv) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient 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 proposals.
- (b) The Administration will continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. Based on current information, it is anticipated that the Administration will end by:
 - (i) placing the Company into Creditors' Voluntary Liquidation in order to facilitate a dividend payment to unsecured creditors
 - (ii) or if the above route is not possible, filing notice of dissolution with the Registrar of Companies. The Company will then be automatically dissolved three months after the notice is registered.
- (c) In the event that the Administration cannot be completed within twelve months and the Administrators are of the view that it is in the creditors' interest, they may propose to seek an extension of their appointment from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (d) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever Liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Administrators would take the appointment as Joint Liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with paragraph 83(7), creditors may nominate a different person as the proposed Liquidator(s), provided that the nomination is made after the receipt of these proposals but before these proposals are approved.
- (e) The Administrators be at liberty to incur and pay such costs and expenses, including professional fees, as are considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties.

- (a) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to matters as set out in their fee estimate. The Administrators' remuneration will be agreed by the Creditors' Committee or by creditors, in the event that no Committee is formed.
- (b) The Administrators be at liberty to recharge category 2 disbursements as detailed in the circulated Creditors' guide to Administrators' fees.
- (c) The Administrators be at liberty to pay costs and remuneration in relation to proposals (e) and (f) above when funds become available.
- (d) The Administrators will consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation of these proposals and where they consider it expedient, obtain the sanction of that committee on behalf of the creditors of the Company (and without further reference to the general body of creditors) to any proposed action on the part of the Administrators.
- (e) The Administrators be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.



**Tough Mudder Ltd
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
POST APPOINTMENT SALES		
Corporate ticket sales	NIL	5,908.31
Ticketsales	NIL	166,666.67
	NIL	172,574.98
OTHER DIRECT COSTS		
Sub Contractors	NIL	11,724.52
Wages	NIL	54,542.27
Staff expenses	NIL	1,547.52
Payroll services	NIL	575.07
	NIL	(68,389.38)
TRADING EXPENDITURE		
BID Levy	259.08	259.08
Rates	8,821.21	10,207.90
Storage	NIL	11,727.63
Electricity	NIL	146.74
Insurance	NIL	322.32
Bank charges	NIL	150.00
Paid media/rebuilds	NIL	13,000.00
Shipping costs	NIL	5,748.76
Pension contributions	NIL	5,489.30
PAYE/NIC/Student loans/SMP	NIL	15,184.60
	(9,080.29)	(62,236.33)
TRADING SURPLUS/(DEFICIT)	(9,080.29)	41,949.27



Tough Mudder Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
	ASSET REALISATIONS		
120,673.00	Book debts	NIL	120,673.00
	Book debts (excl. from APA)	810.00	2,160.00
415,624.00	Business contracts	NIL	415,624.00
54,267.25	Cash at bank	NIL	53,396.41
	Deposit refunds	NIL	1,264.56
10,000.00	Goodwill	NIL	10,000.00
500.00	Intellectual property rights	NIL	500.00
Uncertain	Intercompany loans	NIL	NIL
1.00	Leasehold consent	NIL	1.00
5,700.00	Office furniture & equipment	NIL	5,700.00
	Pre-apt VAT refund	NIL	153,160.15
114,543.00	Rent deposit	NIL	NIL
1.00	Seller's records	NIL	1.00
1.00	Share option (Tough Mudder GmbH)	NIL	1.00
162,500.00	Sponsorship contract receivables	NIL	162,500.00
85,000.00	Stock and obstacle equipment	NIL	85,000.00
	Trading Surplus/(Deficit)	(9,080.29)	41,949.27
		(8,270.29)	1,051,930.39
	COST OF REALISATIONS		
	Agents' disbursements	NIL	445.00
	Agents' fees	NIL	12,250.00
	Bank charges	NIL	25.00
	BM Advisory pre-appointment disbs	NIL	280.05
	BM Advisory pre-appointment fees	NIL	13,114.10
	Insurance	28.36	28.36
	Joint Administrators' expenses	54.86	1,588.27
	Joint Administrators' fees	36,888.00	180,788.00
	Legal disbursements	NIL	596.67
	Legal fees	5,000.00	62,236.98
	Pre-appointment legal disbursements	NIL	20.72
	Pre-appointment legal fees	NIL	11,234.50
	Rent	NIL	11,708.17
	Surveyors' fees	NIL	720.00
		(41,971.22)	(295,035.82)
	PREFERENTIAL CREDITORS		
(800.00)	Former employees	NIL	NIL
(2,627.00)	Pension schemes	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(21,460.00)	Former employees	NIL	NIL
(101,433.00)	HMRC	NIL	NIL
(3,526,588.00)	Intercompany loan - TM GER	NIL	NIL
(552,289.70)	Trade & expense creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(3,236,487.45)		(50,241.51)	756,894.57
	REPRESENTED BY		
	Estate account - non interest bearing		275,660.77

Tough Mudder Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/07/2020 To 13/11/2020 £	From 24/01/2020 To 13/11/2020 £
REPRESENTED BY CONTINUED		
Trading Account		471,988.53
VAT control account		712.70
VAT receivable		8,532.57
		756,894.57



PROOF OF DEBT - GENERAL FORM

Tough Mudder Ltd - in Administration
Company Number: 07202563

This proof must be made out by, or under the direction of, the creditor and authorised by the creditor or a person with relevant authorisation as at the date of Administration.

Date of Administration: 24 January 2020

1.	Name of Creditor (If a company please also give company name and registration number)	
2.	Address of Creditor for correspondence (principal place of business)	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	£
4.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
5.	Particulars of how and when debt incurred. If you need more space append a continuation sheet to this form.	
6.	Particulars of any security held, the value of the security, and the date it was given	
7.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
8.	Details of any documents by reference to which the debt can be substantiated. Note: there is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at their discretion as may the chair or convenor of any meeting.	
9.	Signature of creditor or person authorised to act on their behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
FOR OFFICE USE ONLY		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

Task	ORIGINAL ESTIMATE			REPORTING PERIOD			WHOLE PERIOD		
	Estimated hours hrs	Estimated cost £	Average charge out rate £	Actual hours in period hrs	Actual costs in period £	Average charge out rate £	Actual hours to date hrs	Actual costs to date £	Average charge out rate £
Administration and planning	88.50	18,122.50	204.77	10.40	1,931.00	185.67	60.60	10,900.50	179.88
Statutory compliance	423.70	130,812.50	308.74	35.60	8,303.50	233.24	138.70	33,771.00	243.48
Investigations	102.50	28,777.50	280.76	4.70	1,454.00	309.36	37.20	7,097.50	190.79
Asset realisations	107.30	39,603.00	369.09	3.10	1,035.50	334.03	153.70	51,857.00	337.39
Trading	136.50	50,035.00	366.56	3.00	537.00	179.00	143.70	51,410.00	357.76
Creditors	102.50	27,891.00	272.11	10.00	2,841.50	284.15	84.50	25,922.50	306.78
TOTAL	961.00	295,241.50	307.22	66.80	16,102.50	241.06	618.40	180,958.50	292.62

A summary of the work undertaken in this reporting period is detailed below and was required to be undertaken to deal with the specific circumstances of the case, as well as meet our statutory duties and obligations:

ADMINISTRATION AND PLANNING

Maintaining and managing the officeholders' estate bank accounts.
Maintaining and managing the officeholders' cashbooks.
Undertaking regular reconciliations of the officeholders' estate bank accounts.

STATUTORY COMPLIANCE

Dealing with all correspondence and emails relating to the case.
Deal with statutory obligations in relation to identified company pension schemes and submit necessary forms to the Redundancy Payments Service (as applicable).
Reviewing the adequacy of the specific penalty bond on a quarterly basis.
Undertaking periodic reviews of the progress of the case.
Overseeing and controlling the work done.
Preparing, reviewing and issuing progress reports to creditors and members.
Filing returns at Companies House and/or Court (as applicable).
Review and finalise net trading position, outstanding costs etc.
Preparing and filing VAT returns.
Preparing, reviewing and issuing final accounts/reports to creditors and members.
Filing final accounts/reports at Companies House and/or Court (as applicable).

Completing appropriate documentation to convert the Administration to Creditors' Voluntary Liquidation for the purposes of paying a dividend to unsecured creditors.

INVESTIGATIONS

Reviewing books and records to identify any suspicious transactions or actions the officeholder may take against a third party in order to recover funds for the benefit of creditors.

ASSET REALISATIONS

Review and monitor debtors due.
Review and finalise supplier novation agreements to the purchaser.

CREDITORS

Obtaining information from the case records in respect of former employee enquiries, contacting third parties regarding the same.
Completing documentation for submission to the Redundancy Payments Office.
Dealing with all creditor correspondence, emails and telephone conversations regarding their claims.
Maintaining up to date creditor information on the insolvency practice management system.

Notes:

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.
- 'Statutory compliance and reporting' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory obligations.
- 'Investigations' represents the work required to comply with our statutory obligations and has no direct financial benefit to creditors unless there are potential recovery actions identified. Details of the investigations undertaken and outcomes are set out in the report.
- 'Asset realisation' represents the work required to be undertaken to realise the known assets in the case for the benefit of the creditors, details of which are set out in the report.
- 'Creditors' represents the work required to deal with the various creditors of the Company and maintain records of each claim. All queries and correspondence are dealt with as part of our statutory obligations.

BM ADVISORY
STATEMENT OF POLICY ON FEES

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3).

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below.

Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1 March 2020 the hourly rates applicable are:

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator	185
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

Further information on the manner in which an Office Holder's fees may be fixed, can be found in the guidance notes on our website: www.bm-advisory.com/resources/.

Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case; they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered:

Meeting room hire	Up to £200
Postage	£0.51 - £2.25
Mileage (per mile)	At the HMRC approved mileage rate at the time the mileage was incurred
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

