

AM03

Notice of administrator's proposals



Companies House

THURSDAY



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13/02/2020

#199

COMPANIES HOUSE

1 Company details

Company number	0	7	2	3	2	5	9	7
Company name in full	The UK Great Travel Company Limited							

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

2 Administrator's name

Full forename(s)	Craig
Surname	Johns

3 Administrator's address

Building name/number	Regency House
Street	
Post town	45-53 Chorley New Road
County/Region	Bolton
Postcode	B L 1 4 Q R
Country	

4 Administrator's name ①

Full forename(s)	Jason Mark
Surname	Elliott

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

5 Administrator's address ②

Building name/number	Regency House
Street	
Post town	45-53 Chorley New Road
County/Region	Bolton
Postcode	B L 1 4 Q R
Country	

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Nick

Surname Brierley

3 Insolvency practitioner's address

Building name/number Regency House

Street 45-53 Chorley New Road

Post town Bolton

County/Region

Postcode B L 1 4 Q R

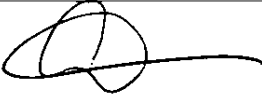
Country

AM03
Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Sign and date

Administrator's Signature	Signature ✕		✕
Signature date	^d 1 ^d 0	^m 0 ^m 2	^y 2 ^y 0 ^y 2 ^y 0

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	Adam Flynn
Company name	Cowgill Holloway Business Recovery LLP
Address	Regency House 45-53 Chorley New Road
Post town	Bolton
County/Region	
Postcode	B L 1 4 Q R
Country	
DX	
Telephone	0161 827 1200



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

**Joint Administrators' Report and Statement
of Proposals Pursuant to
Paragraph 49 of Schedule B1**

**The UK Great Travel Company Limited Formerly T/A
Together Travel - In Administration**

10 February 2020

cowgills

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1 Introduction and Background

1.1 The Company was incorporated on 22 April 2010 and originally operated under the brand of Natural Retreats (rebranded as Together Travel in February 2019) with the intention to operate high end self-catering holiday accommodation, providing full operational services to owners of properties in this part of the leisure sector. The Company acts as an agent for the property owners in return for a management fee for carrying out the following services:

- Marketing the property for holiday rentals;
- Sales – both online and over the telephone;
- Site operations, managing all the guest stay and changeover of the properties;
- Technology for the whole process;
- Finance;
- HR.

1.2 The current directors are Ewan Kearney (“EW”), Anthony Wild (“AW”) and Matthew Spence (“MS”) and the change in directorships since incorporation are detailed below:

Director	Appointed	Resigned
Halliwells Directors Limited	22 April 2010	10 May 2010
Mark Halliwell	22 April 2010	10 May 2010
David Gorton	26 July 2010	18 November 2010
Timothy Dennis	26 July 2010	1 January 2017
Anthony Wild	10 May 2010	-
Matthew Spence	24 June 2010	-
Ewan Kearney	24 June 2010	-

1.3 The Company’s intention was to create a brand in this sector so customers would visit the various locations that were branded and operated by the Company and know the service and high quality of the product they were paying for. The management team had experience covering luxury travel and operations, finance in leisure and property and other property management services.

1.4 The Company secured private investment from a high net worth individual who funded growth of the business by way of a loan into the business as well as revenues from its main source of trading from its initial operating contracts.

1.5 The Company secured several operating contracts for sites in the UK with ambition to grow further in the UK and into the US. There was a centrally located team based in Wilmslow, Cheshire who provided the marketing, sales, finance, HR and technology services for operating the sites and then employees on location where the holiday properties were located. Further operating contracts were secured within the first two years and with the intention to continue to grow the brand presence and business, the central team was expanded, funded by the investor loan. The majority of the sites were owned by the major customer who still account for approximately 60% of turnover.

1.6 In 2012, the Company expanded into the US securing its first operating contracts in two locations in Idaho and Virginia. Operations in the US were initially done from the UK resource and eventually a US operational base was formed with a separate sister subsidiary to the Company and the start of its own team based in the US, yet mirroring the central team structure of the UK. This US subsidiary and the Company had a common parent company.

- 1.7 This continued expansion and growth was still funded by the initial UK investor and the company was loss making throughout this whole period; however, this was part of the business plan because the main focus was on growth of contracts and operating locations. Further new locations were secured in both the UK and US, and the central teams, particularly in the US, continued to expand in readiness for further growth.
- 1.8 In late 2014, new US investors were secured and some of their funds were used to pay off and refinance the entire loan provided by the initial UK investor. The remainder of their investment went into the overall group to fund its continued growth. Both the UK and US were still loss making at this time, with the intention to keep investing into growth for another few years to eventually turn that focussed growth into profitable trading. Rapid growth, particularly in the US and some in the UK, ensued for the following three years and as a group it was nearing break even position.
- 1.9 Throughout this three year period after joining with the US investors, it became clear that the founder management team felt that they were the wrong investors, despite supporting the growth. However, the management team always wanted to focus some of the investment back on the UK market, where the business had started. These US investors did not concentrate on the UK and all their focus was on the US and there was a sense of 'suffocating' the founding management team.
- 1.10 Therefore, towards the end of 2017, a separation of the management team and the US investors took place with the management team buying back 100% of the UK business and the share capital of the Company, for a share exchange of its stake in the parent company of the group and a vendor loan of \$1.5m from the US group, payable over 5 years.
- 1.11 The founding Management team (MS, EK and AW) therefore held full ownership and control of the UK business, being the Company.
- 1.12 At that time of this change in ownership, the UK business as a standalone entity was still loss making and it had inherited a large amount of legacy creditors as part of the separation that had been incurred for running the whole group (both in the UK and US).
- 1.13 Therefore, this business started off from this point with cash flow challenges from the outset. However, there were several long-term contracts held in this Company from which to trade out of this position and restructure its cost base to turn into profit.
- 1.14 However, in September 2018, the Company lost its largest contract which generated approximately one third of its management fee revenue. Additionally, the Company incurred a significant bad debt which caused further cash flow issues.
- 1.15 As a result of this significant loss of revenue, the Company had to quickly restructure its cost base and make several redundancies, whilst also securing an overdraft from its bank for £400k to assist with cashflow. Once the Company had drastically reduced its cost base (at significant cost to the business to fund the redundancies, utilising the bank overdraft), it had become profitable and it secured some new contracts to increase its revenues without further increasing its cost base.
- 1.16 Unfortunately, this coincided with the decline in relationship with the Company's major customer which further adversely affected the position.
- 1.17 In 2017 (just before the separation from the US investors), the Company had signed a 25 year lease with Scottish Canals ("SC") for over circa 17 properties. This lease would allow the

Company to trade holiday rentals from these properties whilst paying SC a fixed annual rent payment under the terms of the lease. Unfortunately, this contract proved to be detrimental to the Company and losses were incurred.

- 1.18 Therefore, despite best efforts, for the following two years the Company could not make enough revenues from operating these properties to cover its costs and pay the rent to SC and consequently, from late 2018 and throughout 2019, the Company fell into arrears on the rent payments to SC and it did not have the free cash flow within the rest of its business to fund these rent payments, meaning that significant arrears accrued. The Company attempted to renegotiate the terms of the lease with SC in order to find a model that was more sustainable. However, this proved to be unsuccessful.
- 1.19 In October 2019, SC instigated court proceedings for collection of the rent arrears and the Company did not have the available funds to pay. This along with the large bad debt, and the breakdown in relationship with the major customer meant that the Company was in severe financial distress.
- 1.20 As a result, EK and AW attended a meeting with Jason Mark Elliott (“JME”) and Benjamin Cowgill (“BC”) of Cowgill Holloway Business Recovery LLP (“CHBR”) on 7 November 2019 to discuss the options available to the Company.
- 1.21 Following the meeting, the directors spoke to SC to try and negotiate a deal that would avoid the Company being placed into a formal insolvency process. The basis of a full and final settlement agreement was reached with SC, but after considering the overall financial position of the Company including large overheads and the uncertainty of future revenues due to the erosion in the working relationship with the major customer, it was not in the best interests of the Company to accept the offer from SC.
- 1.22 As a result, on 10 January 2020, JME and BC had a further meeting with the directors and the representative of the major customer to discuss whether there were any alternatives to a formal insolvency process. It was apparent that the Company would not be able to continue to trade in its current form, without a significant injection of funds or the willingness of the major customer to extend the working relationship with the Company. It was confirmed at the meeting that neither of these options were available. However, at the meeting, the representative of the major customer confirmed that they may have an interest in acquiring the business and assets through a formal insolvency process should this be appropriate.
- 1.23 Subsequently, Jonathan Kay of Robson Kay Associated (“RKA”) was engaged by the Company to conduct an assessment of the business and assets and provide their marketing recommendations and strategy. RKA attended site on 15 January 2020.
- 1.24 RKA advised that as the major customer accounted for the majority of the Company’s turnover and they were reluctant to work with a potential third party that was looking to acquire the business, there was no business to market due to the reliance on the major customer. As such, should the business be marketed for sale, this would only incur costs, delay a sale and achieve nothing in the way of realistic offers. Therefore, a marketing campaign was not deemed necessary if an offer could be obtained from the major customer.
- 1.25 Following RKA’s visit and having considered all options, EK advised that the Company wished to instruct CHBR and proceed with a formal insolvency process. CHBR were formally engaged on 17 January 2020 to place the Company into Administration.

- 1.26 Subsequently, the major customer via Archibo, an associated company by way of a former director of the Company, put forward an offer in the sum of £38,000 including unencumbered assets, goodwill & IPR, the transfer of all employees except the directors and the remaining book debt ledger at a rate of 50 pence in the pound. RKA considered the offer and noted the following:
- Archibo has a good working relationship with the major customer and therefore would likely continue to work with Archibo and retain a large proportion of turnover;
 - 44 staff would be transferred to Archibo eliminating the majority employee preferential and unsecured claims;
 - The completion of a pre-packaged sale in Administration is considered to significantly improve book debt collections due to the continuity of supply to customers;
 - No further offers were received from third parties.
 - The offer received was far in excess of the anticipated realisations should the Company cease to trade and be placed into Liquidation.
 - The offer represented the best outcome for creditors;
- 1.27 Therefore, RKA recommended acceptance of the offer received from Archibo. As such, CHBR instructed Knights Solicitors ("**Knights**") to prepare the sale and purchase agreement ("**SPA**").
- 1.28 On 3 February 2020, EK signed the Notice of Appointment ("**NOA**") and the SPA was agreed by both parties on the same date with the purchaser depositing the funds with Knights on 3 February 2020. Once the SPA was finalised, the NOA was filed in Court on the same day and the pre-packaged sale to Archibo was completed immediately following the filing of NOA.
- 1.29 As a result, Craig Johns ("**CJ**"), Jason Mark Elliott and Nick Brierley ("**NB**") of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR were appointed Joint Administrators of the Company by the Directors on 3 February 2020. Craig Johns, Jason Mark Elliott and Nick Brierley are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 1.30 This firm's Privacy Notice about the way that we will use, and store personal data can be found at <https://www.cowgills.co.uk/services/business-recovery/privacy-notice/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.31 For the purposes of paragraph 100(2) of Schedule B1 the administrators may exercise any of the powers conferred on them by the IA 1986 jointly or individually.
- 1.32 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.33 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 12 February 2020.

2 Administration Strategy and Objective

- 2.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- *Rescuing the Company as a going concern; or*

- *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
- *Realising property in order to make a distribution to one or more secured or preferential creditors.*

- 2.2 Further information on the pursuit of the above objectives is detailed below:
- 2.3 We believe that it would not be possible to achieve objective one which is '*Rescuing the Company as a going concern*' as the Company was experiencing significant creditor pressure, it was unable to continue trading in its current form.
- 2.4 The directors were not aware of any party that was willing to buy the business outside of a formal insolvency process, therefore, without any protection, it was under severe risk of receiving a winding up petition, which would reduce the value of asset realisations.
- 2.5 Furthermore, in order for the Company to continue to trade throughout a prolonged marketing period, it would require major funding as there was a stark lack of working capital. The directors also advised that they were not willing or able to introduce any further cash. As such, we do not believe that objective one could be achieved.
- 2.6 A Company Voluntary Arrangement ("CVA") was discounted as 60% of the Company's turnover had been lost due to a breakdown in working relationship with the major customer and the directors were unable to provide a large cash injection. As such, this would put significant strain on the Company's cash flow and therefore would make CVA very difficult to adhere to. Furthermore, due to the imminent creditor action, it was considered that the Company had insufficient time to submit a CVA proposal, before a winding up petition would be presented by SC.
- 2.7 The completion of the pre-packaged sale has maximised asset realisations when compared to Creditors Voluntary Liquidation ("CVL") as the business and assets were sold for £38,000 which is much greater than what RKA advised would be realised in a Liquidation scenario.
- 2.8 In a Liquidation scenario, goodwill and intellectual property would have no value and the tangible assets would potentially have to be sold piecemeal, increasing costs and reducing asset realisations.
- 2.9 Furthermore, the pre-packaged sale included the transfer of all employees except the directors which eliminates the majority of preferential claims for arrears of wages and holiday pay, and also eliminates the majority of any unsecured employee claims for pay in lieu of notice, redundancy pay and any residual arrears of wages.
- 2.10 In Liquidation, it is estimated that the preferential and unsecured claims in relation to employees would be £85,763 and £178,121 respectively.
- 2.11 Consequently, the Joint Administrators' functions are being carried out with the objective of '*Achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in liquidation)*'. However, the Joint Administrators believe this may result in realisations being available to the preferential creditors of the Company should our investigations conclude that the customer deposits are for the benefit of the Administration estate which also fulfils the third purpose of the Administration under Paragraph 3 of Schedule B1 of the Insolvency Act 1986.

Pre-Packaged Sale

- 2.12 A pre-packaged sale of the Company's business and assets was concluded on 3 February 2020 to Archibo Limited ("Archibo"). Full information on the sale pursuant to the requirements of Statement of Insolvency Practice 16 can be found at Appendix H and should be read in conjunction with the remainder of this report.

Consideration of Proposals by Creditors

- 2.13 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
 - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
 - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved
- 2.14 Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.
- 2.15 In this case, we do not think any of the above provisions apply and we are therefore required to seek approval from creditors to our Proposals.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.16 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.17 We have also dealt with a number of statutory formalities which are required of us under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.
- 2.18 Where a pre-packaged sale of the Company's assets and business has taken place, we have prepared and issued the report on the transaction as required by Statement of Insolvency Practice 16 and we have also prepared and issued these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 2.19 Other statutory duties performed are outlined in further detail in the [fees estimate/fees information] which can be found at Appendix F. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Trading

- 2.20 As previously mentioned, the business was sold via a pre-packaged sale on 3 February 2020 to Archibo and therefore the Company ceased to trade on the same date and there was no requirement for the Joint Administrators to trade the business.

Realisation of assets

Pre-packaged Sale

- 2.21 The business and assets were sold as a pre-packaged sale to Archibo on 3 February 2020 and we believe that a pre-packaged sale has maximised realisations. Please refer to the Statement of Insolvency Practice 16 ("SIP 16") for further details which is attached at Appendix H.
- 2.22 To date, we have received the sum of £28,000 in relation to goodwill, intellectual property, fixtures, fittings & equipment, stock, business information, book debts and part payment for contracts. The funds are currently being held in CHBR's client account, pending a specific case account being opened.
- 2.23 We are due to receive a further £10,000 in relation to contracts on 4 July 2020. The Joint Administrators will liaise with the purchaser to ensure this payment is received.

Customer Deposits

- 2.24 We have been made aware that the Company held various different bank accounts holding customer deposits. The sum of £79,143 has been transferred to the CHBR client account which represents the total credit balance held in the customer deposit accounts. The Joint Administrators will endeavour to reconcile the customer deposits to ascertain whether they agree with company records.
- 2.25 We are currently unaware if these funds are non-refundable deposits and therefore an asset of the Administration or whether these funds are due back to the Customers. The Joint Administrators will take legal advice in respect of the same and an update will be provided in our next report to creditors.
- 2.26 The work undertaken by the Joint Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in our progress reports.
- 2.27 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

- 2.28 Further particulars regarding the estimated outcome for creditors can be found at Section 9 of this report.
- 2.29 We are required to deal with correspondence and claims from unsecured creditors and claims from preferential creditors.

- 2.30 Preferential claims typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. As a result of the sale to Archibo on 3 February 2020, 44 employees were transferred to it under the Transfer of Undertakings (Protection of Employment) Regulations and the directors were made redundant. As such, we anticipate a small preferential claim.
- 2.31 The work involved in dealing with preferential claims is detailed below:
- Review company records to determine whether the RP1 forms have been completed accurately;
 - Submit an RP14 and RP14A to the Redundancy Payments Service (“RPS”) detailed employee details;
 - Review Company records to ensure pension contributions were up to date;
 - Liaise with the pension provider to obtain details of any unpaid pension contributions;
 - Submit a RP15 to the RPS if necessary.
- 2.32 The above work will not necessarily bring any financial benefit to creditors generally; however, we are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by us in dealing with those claims.

Investigations

- 2.33 The Joint Administrators are in the process of conducting their investigations based on information obtained since our appointment.
- 2.34 The Joint Administrators have liaised with the Directors about the location of the Company’s Books and Records and Directors questionnaires have recently been issued to all current Directors and any directors in the last three years, although these have not yet been returned.
- 2.35 Once all prime records have been collected and analysed, we will undertake further investigations in accordance with the Company Directors Disqualification Act 1986. We are required, under insolvency legislation, to submit a report on the conduct of the Directors of the Company to the Department for Business, Energy and Industrial Strategy within three months from the date of Administration. As this is a confidential report, we will not be able to disclose the contents of this. However, should our investigations highlight any potential assets or recoveries to be made for the benefit of the estate then details will be provided in our next report to creditors.

Sale of Assets to Connected Parties

- 2.36 In accordance with Statement of Insolvency Practice 13, we would advise you that the following assets were sold to a party connected with the Company:

THE UK GREAT TRAVEL COMPANY LIMITED T/A TOGETHER TRAVEL - IN ADMINISTRATION

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
3 February 2020	Book Debts	£13,000 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Business Information	£1 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Contracts	£2,496 paid on 3 February 2020 and £10,000 to be paid on 4 July 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Fixtures, Fittings & Equipment	£12,500 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Goodwill	£1 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Intellectual Property	£1 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo
3 February 2020	Stock	£1 paid on 3 February 2020	Archibo Limited	Timothy Dennis, a former director of the Company and a current director of Archibo

- 2.37 Full details of the pre-packaged sale that was completed on 3 February 2020 is included in the SIP16 Statement at Appendix H, including our information about the sale being conducted to a connected party under Statement of Insolvency Practice No.13.

3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of our appointment to 10 February 2020 is attached at Appendix B.
- 3.2 Completion monies in the sum of £28,000 in respect of the sale to Archibo have been paid and are currently being held in CHBR's client account. These funds will be transferred to the case account once opened.
- 3.3 Customer deposits in the sum of £79,143 are being held in CHBR's client account and will be transferred to the case account once opened. As per Sections 2.26-2.27, it is not yet known whether these amounts will be available to the Administration estate and further information will be provided regarding this in our next report to creditors.

4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received; however, the deadline for the directors to return is not until 17 February 2020. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 3 February 2020, together with a list of

creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered and it is based on the position had the pre-packaged sale not taken place.

- 4.2 We have the following observations to make in relation to the Estimated Financial Position of the Company.

Goodwill and Intellectual Property

- 4.3 On a forced sale basis, RKA advised that the Goodwill and Intellectual Property held no value and would only be of value should a similar business express their interest in purchasing the assets.

Book Debts

- 4.4 The Company has an outstanding book debt ledger in the sum of £241,350; however, two of these book debts are owed by companies that are in Administration which total £213,676. Therefore, we do not anticipate any realisations from these book debts.
- 4.5 As such, there is a remaining ledger outstanding in the sum of £27,674. This has been subject to a general write-down to account for potential bad debts and counter-claims and, as such, in a shut-down scenario, the sum of £6,500 has been utilised as the estimated to realise value for the purpose of the EFP.

Fixtures, Fittings & Equipment

- 4.6 The Company also owned some fixtures, fittings and equipment which were situated at the Company's trading premises. RKA estimate the physical assets to realise £3,500 on a forced sale basis.

Customer Deposits

- 4.7 We have been made aware that the Company held various bank accounts holding customer deposits. The sum of £79,143 has been transferred to the CHBR client account which represent the total credit balance held in the customer deposit accounts.
- 4.8 We are currently unaware if these funds are non-refundable deposits and therefore an asset of the Administration or whether these funds are due back to the customers. The Joint Administrators will take legal advice in respect of the same.
- 4.9 As such, the level of realisation expected is currently scheduled as 'Uncertain' for the purposes of the EFP.

Secured Creditors

- 4.10 There are no secured creditors and we do not anticipate any secured claims.

Preferential Creditors

Employee Claims - Preferential

- 4.11 The Company employed 47 members of staff including the directors. Should the sale not have been completed to Archibo, all members of staff would have been made redundant.
- 4.12 All employees would have been entitled to lodge claims, which are authorised by the Department for Business, Energy & Industrial Strategy – Redundancy Payments Service (the “RPS”) pursuant to the provisions of the Employment Rights Act 1996.
- 4.13 The claims of the employees in relation to wages are subject to a cap of £800 per employee, which are claimed preferentially. Any amounts over and above £800 per employee will be an unsecured claim. There is no such cap imposed on holiday pay.
- 4.14 The Company also operated a pension scheme for its employees and an element of any outstanding contributions may be considered preferential.
- 4.15 For the purpose to the EFP, we have calculated the preferential liability in a shut-down scenario based on the employee information supplied by the Company.

Prescribed Part Fund

- 4.16 The Company has not granted any floating charges over its assets therefore the provisions of a Prescribed part fund do not apply.

Unsecured Creditors

Employee Claims – Unsecured

- 4.17 Employees are also entitled to submit claims to the RPS in respect of redundancy pay, pay in lieu of notice. Such claims will rank as unsecured claims in the Administration.
- 4.18 For the purpose to the EFP, we have calculated unsecured claims in the sum of £178,232 for arrears of wages over the statutory limit, pay in lieu of notice and redundancy pay, based on the employee information supplied by the Company.

Trade & Expense Creditors

- 4.19 These claims are based upon estimates and have been extracted from the Company’s records. These amounts should not be treated as agreed amounts and include VAT where appropriate. We will seek to confirm the value of creditor claims in due course, if applicable.

HSBC Bank Plc (“HSBC”)

- 4.20 It is understood that the Company’s current account with HSBC is currently overdrawn in the sum of approximately £320,000.

HMRC VAT & PAYE

- 4.21 The amount owing to HMRC in respect of VAT and PAYE has been provided by the Company and is in relation to the month of November 2019, December 2019 and January 2020.

5 Proposals

- 5.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If having realised the assets of the Company the Joint Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a), they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.3 If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Joint Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.4 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.5 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.6 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.7 If the Joint Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Joint Administrators term of office be extended for a specified period determined by it.
- 5.8 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.9 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Joint Administrators and their staff managing the Administration, or
 - As a set amount

- 5.10 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by a decision of creditors or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- 5.11 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows:
- By reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration
- 5.12 Further details about the proposed fee basis can be found in Section 8 below and Appendix E.
- 5.13 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Joint Administrators' term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals we believe that an extension to the period of Administration will not be necessary, however will confirm the position to creditors in a subsequent progress report in due course.
- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

Dissolution of the Company

- 6.4 Based on present information, the Joint Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the preferential creditors of the Company
- 6.5 As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Joint Administrators' final report, for the dissolution of the Company. However, this is wholly dependent upon our investigations into the customer deposits and should a dividend to the unsecured creditors be anticipated, we shall convert to Creditors' Voluntary Liquidation ("CVL") as detailed below.
- 6.6 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Creditors Voluntary Liquidation

- 6.7 As stated above, if the Joint Administrators establish that the customer deposits are classified as Company assets and therefore are made available for the Administration estate, then a

dividend may become payable to the unsecured creditors other than by virtue of the Prescribed Part. The Joint Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.

- 6.8 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 6.9 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Joint Liquidators of the subsequent CVL.

Compulsory Liquidation

- 6.10 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Joint Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Joint Administrators will become the Joint Liquidators in the subsequent liquidation.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Joint Administrators, or another person qualified to act as an Insolvency Practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.
- 7.3 Pre-appointment fees charged and expenses incurred by the Joint Administrators are as follows:

THE UK GREAT TRAVEL COMPANY LIMITED T/A TOGETHER TRAVEL - IN ADMINISTRATION

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
CHBR	<ul style="list-style-type: none"> Meeting with the Board of Directors and advice provided to the Company Meeting with a representative of the major customer Reviewing the financial position and potential strategies for the Company to include CVA, CVL and Administration Reviewing the sales contract and agreeing the contract with Solicitors. 	£13,125 plus VAT	Nil	-	£13,125 plus VAT
RKA	<ul style="list-style-type: none"> Valuation of all physical assets and liaising with the interested party Advice and recommendation of offer from Archibo. 	£2,500 plus VAT	Nil	-	£2,500 plus VAT
RKA	<ul style="list-style-type: none"> Expenses incurred when attending the Company's trading premises. 	£6 plus VAT	Nil	-	£6 plus VAT
Knights Plc	<ul style="list-style-type: none"> Preparing appointment documentation and filing of the same Drafting and advising upon the Sales Purchase Agreement 	£5,107 plus VAT	Nil	-	£5,107 plus VAT
Knights Plc	<ul style="list-style-type: none"> Winding up search Court fee 	£70 plus VAT	Nil	-	£70 plus VAT

7.4 Attached at Appendix D is a time matrix outlining the time matrix outlining the time spent by us prior to our appointment as Joint Administrators.

7.5 The work undertaken by the above parties prior to the Company entering Administration was necessary to ensure that a strategy could be implemented to enable employment to be maintained, the value of the intangible assets preserved and it also enabled greater realisation for the tangible assets than would have been in a 'shut down' scenario. This has further promoted the purpose of the Administration by ensuring that a pre-packaged sale to Archibo was agreed, ensuring no break in trade and preserving 44 jobs.

7.6 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Joint Administrators' proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

8 Joint Administrators' Remuneration

8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration will be fixed.

8.2 In addition to this, where the Joint Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to

matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

- 8.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. Our fees estimate and details of the work we propose to undertake in the Administration can be found at Appendix F and further information on the work done since our appointment to the date of this report can be found in section 2.
- 8.4 For information, attached at Appendix E is a time matrix outlining the time spent by us and our staff since the date of our appointment as Joint Administrators. This time is included within the overall fees estimate provided with this report.
- 8.5 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.cowgills.co.uk/wp-content/uploads/2016/01/Creditors-Guide-to-Administrators-fees.pdf>. If you would prefer this to be sent to you in hard copy please contact Adam Flynn of this office on 0161 827 1224.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 10 February 2020 is attached as Appendix G. Further details concerning the Estimated Outcome Statement ("EOS") are detailed below:

Assets

Pre-packaged Sale

- 9.2 As detailed earlier in this report; a pre-packaged sale of the business and assets to Archibo completed on 3 February 2020 in the sum of £38,000.
- 9.3 The initial consideration of £28,000 is currently being held in CHBR's client account and this sum will be transferred into a specialist Administration account operated by us.

Contracts

- 9.4 Further to the above, the pre-packaged sale also included the sum of £10,000 in relation to contracts, to be paid on deferred terms. The payment of £10,000 is expected to be received on 4 July 2020.

Customer Deposits

- 9.5 We have been made aware that the Company held various different bank accounts holding customer deposits. The sum of £79,143 has been transferred to the CHBR client account which represent the total credit balance held in the customer deposit accounts.
- 9.6 We are currently unaware if these funds are non-refundable deposits and therefore an asset of the Administration or whether these funds are due back to the customers. The Joint Administrators will take legal advice in respect of the same.

- 9.7 As such, the level of realisation expected is currently scheduled as 'Uncertain' for the purposes of the EOS and an update will be provided in our next report to creditors.

Book Debts

- 9.8 The Company has an outstanding book debt ledger in the sum of £241,350; however, two of these book debts are owed by companies that are in Administration which total £213,676 and dividend prospects are currently unknown.
- 9.9 The remaining outstanding ledger in the sum of £27,674 consists of six book debts. Archibo made an offer in the sum of £13,000 for three of the book debts totalling £25,845. As such, this was accepted and included as part of the pre-packaged sale.
- 9.10 In addition to the two debtors that are in Administration, the three remaining debtors have not been included in the pre-packaged sale which total £1,831; however, the likelihood of recovering these book debts is unknown. As such, the estimated to realise value has been scheduled as 'Uncertain' for the purposes of the Estimated Outcome Statement.
- 9.11 The Joint Administrators will liaise with the Administrators of the two companies to ascertain the likelihood of a dividend to creditors and write to the remaining debtors to request that payment is made in full. A further update will be in our next report to creditors.

Liabilities

Secured Creditors

- 9.12 There are no secured creditors and we do not anticipate any secured claims.

Preferential Creditors

- 9.13 As previously mentioned, the pre-packaged sale to Archibo enabled the transfer of all employee contracts except for the directors and, as such, we anticipate claims in the sum of £918 from the directors for arrears of wages and holiday pay.
- 9.14 Please note that the Company have confirmed that pension contributions are up to date; however, if this is not the case, there may be a small further preferential claim in the Administration.
- 9.15 For the purposes of the EOS, we do not anticipate a dividend to the preferential creditors; however, as previously mentioned, if our investigations conclude that the customer deposits are for the benefit of the Administration estate, we anticipate that preferential creditors will be paid in full.

Prescribed Part Fund

- 9.16 The Company has not granted any floating charges over its assets therefore the provisions of a Prescribed part fund do not apply.

Unsecured Creditors

Employee Claims – Unsecured

- 9.17 Employees are also entitled to submit claims to the RPS in respect of redundancy pay, pay in lieu of notice. Such claims will rank as unsecured claims in the Administration.
- 9.18 For the purpose to the EOS, we have calculated unsecured claims in the sum of £21,702 for pay in lieu of notice and redundancy pay based on info provided by the Company in relation to the three directors that have been made redundant.

Trade & Expense Creditors

- 9.19 These claims are based upon estimates and have been extracted from the Company's records. These amounts should not be treated as agreed amounts and include VAT where appropriate. We will seek to confirm the value of creditor claims in due course, if applicable.

HSBC Bank Plc ("HSBC")

- 9.20 It is understood that the Company's current account with HSBC is currently overdrawn in the sum of approximately £320,000.

HMRC VAT & PAYE

- 9.21 The amount owing to HMRC in respect of VAT and PAYE has been provided by the Company and is in relation to the month of November 2019, December 2019 and January 2020.
- 9.22 It is not anticipated that a distribution will be made to unsecured creditors, unless additional funds are paid into the Administration as a result of realisations in respect the Joint Administrators' investigations.
- 9.23 Based on present information, the estimated shortfall to all classes of creditors is £722,470.

10 Proposals approval and next report

- 10.1 We are seeking a decision of creditors on the approval of our Proposals along with approval in respect to the Joint Administrators' remuneration and discharge from office. This will be dealt with by way of a decision by correspondence and the letter issued to creditors, with the link to this report, contains further information about the decision process.
- 10.2 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
The UK Great Travel Company Limited T/A Together Travel



Craig Johns
Joint Administrator

Enc

Statutory Information

1 Company information

Company name	The UK Great Travel Company Limited T/A Together Travel
Trading name(s)	Together Travel
Registered number	07232597
Registered office address	1st Floor Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ
Trading address(s)	1st Floor Whitecroft House 51 Water Lane Wilmslow SK9 5BQ
Court details	High Court of Justice, Business & Property Courts in Manchester, Insolvency and Companies List
Court reference number	CR-2020-MAN of 133

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Halliwells Directors Limited	22 April 2010	10 May 2010	
Mark Halliwell	22 April 2010	10 May 2010	
David Gorton	26 July 2010	18 November 2010	
Timothy Dennis	26 July 2010	1 January 2017	
Anthony Wild	10 May 2010	-	20 ordinary shares
Matthew Spence	24 June 2010	-	60 ordinary shares
Ewan Kearney	24 June 2010	-	20 ordinary shares

3 Joint Administrators' Details

Name of Joint Administrators	Craig Johns Jason Mark Elliott Nick Brierley
Address	Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR
Telephone Number	0161 827 1200
Fax Number	01204 414 244
Joint Administrators' IP Numbers	013152 9496 19950
Authorising Body	The Insolvency Practitioners Association
Date of Appointment	3 February 2020

Appendix B

**Joint Administrators' Receipts and Payments Account for the Period from 3 February 2020
to 10 February 2020**

**The UK Great Travel Company Limited T/A Together Travel
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/02/2020**

S of A £	£	£
FLOATING CHARGE RECEIPTS		
Fixtures, Fittings & Equipment	12,500.00	
Stock	1.00	
Business Information	1.00	
Book Debts	13,000.00	
Contracts	2,496.00	
Customer Deposits	78,434.86	
Goodwill	1.00	
Intellectual Property	1.00	
		106,434.86
		106,434.86
REPRESENTED BY		
HB Client Account		106,434.86
		106,434.86

Note:

A letter was sent to the Directors of the Company on 5 February 2020 requesting them to complete a Statement of Affairs of the Company by 17 February 2020. This has not been received to date.

Cowgill Holloway Business Recovery LLP
The UK Great Travel Company Limited T/A Together Travel
B - Company Creditors

Key	Name	Address	£
CA00	A1 Carpet Cleaning Services Ltd	11 Hillside Avenue, Biscovey, Par, Cornwall, PL24 2HF	700.00
CA01	Alberts Fine Quality Meat Limited	Murray Road, Bury, Lancashire, BL9 0BJ	45.00
CA02	Allan Chimney Sweeps	33 Ferguson Avenue, Renfrew, PA4 0TH	110.00
CA03	Alphabet (GB) Ltd	Alphabet House, Summit Avenue, Farnborough, Hampshire, GU14 0FB	5,780.47
CA04	Argyll & Bute Council	Kintyre House, Snipefield Industrial Estate, Campbell Town, PA28 6SY	392.00
CA05	Arval - DD	Arval Centre, Whitehill House, Windmill Hill Business Park, Whitehill Way, Swindon, SN5 6PE	702.72
CA06	AXA PPP	Phillips House, Crescent Road, Tunbridge Wells, Kent, TN1 2PL	0.02
CA07	Axon IT Ltd	Guildford House, Heather Close, Macclesfield, Cheshire, SK11 0LD	11,512.24
CB00	Booking.com B. V.	PO Box 1639, 1000 BP, Amsterdam, The Netherlands	802.02
CB01	Brompton Laundry Co	Century House, Gatherley Road Industrial Estate, Brompton On Swale, Yorkshire, DL10 7JG	1,165.60
CB02	Busy Bees Benefits Ltd - DD	Latchford House, Shenstone Business Park, Lynn Lane, Shenstone, WS14 0SB	197.28
CC00	Cairngorm Mountain Ltd	Cairngorm Ski Area, Cairngorms National Park, PH22 1RB	5,052.13
CC01	CEF Ltd (YD)	Unit 4 Jackson Court, Richmond, North Yorkshire, DL10 4FD	25.17
CC02	CF Corporate Finance Ltd	Reading International Business Park, Reading, Berkshire, RG2 6AA	403.89
CC03	Cheshire East Council - DD	PO Box 3656, Chester, Cheshire, CH1 9PQ	2,923.00
CC04	Chubb Fire & Security Ltd	Number 1 @ The Beehive, Lions Drive, Blackburn, Lancashire, BB1 2QS	229.41
CC05	Clear Business Water Ltd	Longley House, Longley Lane, Manchester, M22 4SY	16.92
CC06	Contact Publicity	15 Newton Terrace, Glasgow, G3 7PJ	700.00
CC07	Cool Air Services Limited	Unit 5 Bredbury Park Way, Bredbury, Cheshire, SK9 2SN	189.30
CD00	Davidson Chalmers LLP	12 Hope Street, Edinburgh, Lothian, EH2 4DB	912.00
CE00	EDF Energy	Payment Processing, PO Box 140, Plymouth, Devon, PL3 5RG	18.30
CE01	Ellidh Ross - Expenses		95.11
CE02	Employees - Preferential		85,763.00
CE03	Employees - Non Preferential		178,232.00
CG00	Gemini Communications - DD		1,623.37
CG01	Gilly's Trade Supplies	Unit 11 Petteril Side, Harraby Green Business Park, Carlisle, Cumbria, CA1 2SQ	47.82
CG02	Graham Pest Control	47 Racecourse Court, Gallowfields Trading Estate, Richmond, North Yorkshire, DL10 4TG	714.00
CH00	Harvey Electrical Services	Skirmie Park, Welton Road Industrial Estate, Blairgowrie, Perthshire, PH10 6NP	284.40
CH01	Harvey Heating Ltd	11 Loraine Crescent, Darlington, County Durham, DL1 5TE	1,626.00
CH02	Highland Laundry Room Ltd	33 Mowbray Road, Catterick Village, Richmond, Yorkshire, DL10 7LA	248.76
CH03	HSBC Bank PLC	Unit 3-5 Harbour Road, Inverness, IV1 1SY	320,000.00
		2-4 St Ann's Square, Manchester, M2 7HD	

Signature

Cowgill Holloway Business Recovery LLP
The UK Great Travel Company Limited T/A Together Travel
B - Company Creditors

Key	Name	Address	£
CH04	Hurst Media Company Ltd	United House, North Road, London, N7 9DP	1,200.00
CH05	H M Revenue & Customs (VAT)	National Insolvency Unit, 5th Floor Regian House, James Street, Liverpool, L75 1AD	30,000.00
CH06	H M Revenue & Customs (PAYE)	Insolvency Claims Handling Unit, RM BP 3202, Warkworth House, Benton Park View Longbenton, Newcastle Upon Tyne, NE98 1ZZ	33,869.00
CI00	ITP Electrical Limited	18 Bonython Road, Newquay, Cornwall, TR7 3AN	200.58
CJ00	Jewson	505 Pwllheli, Glanydon Industrial Estate, Pwllheli, Gwynedd, LL53 5YT	23.99
CJ01	JMC Surveyors & Property Consultants Ltd	47 Bury New Road, Prestwich, Manchester, M25 9JY	8,580.51
CJ02	Johnsons Stalbridge Linen Services	Aerial Road, Llay Industrial Estate South, Llay, Wrexham, LL12 0TU	242.05
CK00	Kcom Group PLC	Payments Centre, PO Box 195, Hull, HU1 3RN	366.00
CK01	K2 Equity Partners LLP	1st Floor, Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ	343.74
CK02	Kelpie Woodlands	Willow Bank, Fort Augustus, PH32 4DG	140.00
CL00	Linn UK Ltd	Argyle Street, Stockport, Cheshire, SK7 4ET	42.00
CL01	Lex Autolease Limited - DD	Blake House, Hatchford Way, Birmingham, West Midlands, B26 3RZ	9,114.09
CL02	Love Cottages Ltd	3 Hitchmans Mews, West Street, Chipping Norton, Oxfordshire, OX7 5AA	25.80
CL03	LRT Domestic	57 Colburn Lane, Catterick Garrison, North Yorkshire, DL9 4LY	40.00
CM00	Mackleeners	Unit 7 Ben Nevis Drive, Ben Nevis Industrial Estate, Fort William, Highland, PH33 6PR	22.44
CM01	Mac Plant Hire Limited	11 Racecourse Road, Gallowfields Trading Estate, Richmond, North Yorkshire, DL10 4SU	32.40
CM02	Mail Boxes	3 Courthill House, 60 Water Lane, Wilmslow, Cheshire, SK9 5AJ	40.84
CM03	Meetingzone Ltd - DD	Floors 5 and 6, Churchill House, Cardiff, CF10 2HH	48.26
CM04	Meredith Connell - GBP	PO Box 2213, Auckland 1140, New Zealand, DX CP24063	626.18
CM05	Midshire Business Systems Northern Ltd	1 Bredbury Court, Ashton Road, Bredbury, Stockport, Cheshire, SK6 2QB	253.82
CN00	Natural Assets Investments Ltd	1st Floor Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ	43,179.73
CO00	Office Cleaning (Northern) Ltd	748 Chapel Lane, Wilmslow, Cheshire, SK9 5JH	1,556.66
CO01	Opus Energy Ltd	Royal Pavillion, 2 Summerhouse Road, Northampton, NN3 6BJ	4,386.55
CP00	Pattersons (Bristol) Limited	Winterstoke Road, Bristol, BS3 2NS	513.90
CP01	Payroll Business Solutions Ltd	6 Bourne Court, Southend Road, Woodford Green, Essex, IG8 8HD	412.06
CP02	PHS Group	Western Industrial Estate, Lon-y-Llyn, Caerphilly, CF83 1XH	302.45
CP03	Pinnacle Business Water	Suite 110, Old Embroidery Mill, Paisley, PA1 1TJ	23.16
CP04	Pinsent Masons	3 Hardman Street, Manchester, M3 3AU	1,849.03
CQ00	Quintfall Forest Products	Lyth, Caithness, KW1 4UD	206.16
CR00	Rentokil	PO Box 4973, Dudley, DY1 9EY	570.65

Signature

Cowgill Holloway Business Recovery LLP
The UK Great Travel Company Limited T/A Together Travel
B - Company Creditors

Key	Name	Address	£
CR01	Response Tap Ltd	Suite 7 2 / 7 3, Building 8, Exchange Quay, Manchester, M5 3EJ	133.92
CR02	Rest Easy Rentals Ltd	Unit 3, 3rd Floor, Cargo Works, London, SE1 9PG	204.84
CR03	Richie's Window Cleaning Services	19 Nantlle Road, Talysarn, Gwynedd, LL54 6AE	346.00
CR04	Richmond Council	Swale House, Frenchgate, Richmond, DL10 4JE	341.13
CR05	RSM Ireland	Trinity House, Charlestown Road, Dublin 6	1,937.17
CS00	SAGlobal Europe	Tredomen Innovation & Technology Centre, Tredomen Business Park, Hengoed, CF82 7DQ	1,737.17
CS01	Scottish Canals	Canal House, 1 Applecross Street, Glasgow, G4 9SP	142,506.80
CS02	Scottish Hydro (SSE)	PO Box 13, Havant, PO9 5JB	712.00
CS03	Scottish Water	PO Box 5749, Inverness, IV1 9DU	519.20
CS04	Sensation Group	Rose Cottage, Abersoch, Pwllheli, Gwynedd, LL53 7DS	270.30
CS05	Shine On Window Cleaning	Ellen Upper Flat, Corpach Basin, Fort William, Highlands, PH33 7JH	225.00
CS06	Shred On Site	Unit 9 Trafalgar Way, Yorktown Industrial Estate, Camberley, Surrey, GU15 3BN	58.20
CS07	Siemens Financial Services Ltd	Sefton Park, Bells Hill, Buckinghamshire, SL2 4JS	1,220.40
CS08	Siop Pen Y Groes	Llithfaen, Pwllheli, Gwynedd	34.74
CS09	Suez Recycling and Recovery UK Ltd	301-303 Parkway, Weston-Super-Mare, Somerset, BS22 6WA	406.20
CS0A	Site Owner Payment - John O'Groats		2,257.78
CS0B	Site Owner Payment - CW Villa 10 - David Constantin		257.73
CS0C	Site Owner Payment - CW Villa 8 - Ken Rolls		272.69
CS0D	Site Owner Payment YD - Lodge 10 (Mr Dave Hender Hayes Grove, London, SE22 8DF		2,182.48
CS0E	Site Owner Payment YD - Lodge 12 (Mr Christopher Hayes Grove, London, SE22 8DF		1,551.42
CS0F	Site Owner Payment YD - Lodge 15 (Mrs Lizzie Hanna 31 Chearsley Road, Aylesbury, Buckinghamshire, HP18 9BS		895.45
CS0G	Site Owner Payment YD - Lodge 8 (Mrs Zora Miller)		696.90
CS0H	Site Owner Payment - CW Villa 27 - Nick Kinnie		839.69
CS0I	Site Owner - CW Villa 24 - Lee Jamison	171 Harvest Fields Way, Sutton Coldfield, West Midlands, B75 5TJ	629.34
CS0J	Site Owner - NL3 Ltd	1st Floor Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ	1,385.86
CS0K	Site Owner Payment CW - Villa 19 Karen Cotton	The Gables, 3 Main Road, Biddenham, MK40 4BB	639.48
CS0L	Site Owner Payment YD - Lodge 17 (Mrs Gemma Pitt)	Moorside South, Fenham, Newcastle Upon Tyne, NE4 9BD	1,638.60
CS0M	Site Owner Payment YD - Lodge 11 (Miss Sarah Hiber		2,278.85
CS0N	Site Owner Payment YD - Lodge 16 (Mrs J Gore)		1,648.98
CS0O	South West Laundry Ltd	Units U V & W, St Erth Industrial Estate, Hayle, Cornwall, TR27 6LP	454.02
CS0P	Stargazy	1 The Terrace, Port Issac, PL29 3SG	681.23

Signature _____

Cowgill Holloway Business Recovery LLP
The UK Great Travel Company Limited T/A Together Travel
B - Company Creditors

Key	Name	Address	£
CS0Q	Sureflow Mechanical and Electrical Services Ltd	15 Sycamore Avenue, St Austell, Cornwall, PL25 4DR	63.30
CT00	Tescuba Ltd (OsmiumEstates Ltd)	The Chambers, 13 Police Street, Manchester, M2 7LQ	23,838.60
CT01	The Chelsea Magazine Company Limited	Jubilee House, 2 Jubilee Place, London, SW3 3TQ	480.00
CT02	The Highland Council	Glenurquhart Road, Inverness, Inverness-shire, IV3 5NX	6,011.56
CT03	The Log Company	The Stables, Kirkbank Farm, Richmond, North Yorkshire, DL10 5LJ	2,304.03
CU00	UK Fuels Ltd - DD	Eurosales Centre, Herald Drive, Crewe, Cheshire, CW1 6EG	92.05
CV00	Villa 11 - Mrs Sue Posham	3 Admirals Walk, Funtington, PO18 9LB	298.98
CV01	Villa 16 - CW Mr Peter Burrows		1,199.38
CW00	Weaving Webs Ltd	Unit 8 Riverside Works, Buckingham, Buckinghamshire, MK18 1EL	1,755.00
CY00	Yorkshire Dales Limited	1st Floor Whitcroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ	114.17
102 Entries Totalling			963,844.62

Signature _____

Pre Appointment Time Analysis

	Hours						Average Cost £
	Partner	Director	Manager	Senior Administrator	Junior Administrator	Cashier	
Administration (inc statutory compliance & reporting)	6.70	0.50	-	-	-	-	369.79
Planning & Strategy	8.30	-	5.70	-	-	-	324.11
Realisation of Assets	12.60	-	4.80	-	-	-	340.52
Creditors (claims & distributions)	-	-	-	-	-	-	0.00
Total Hours	27.60	0.50	10.50	-	-	-	340.03
Current Chargeout Rates	375.00	300.00	250.00	180.00	100.00	120.00	

Time Analysis for the Period from 3 February 2020 to 10 February 2020

	Hours							Total Cost £	Average Cost £	
	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier			
Administration (inc statutory compliance & reporting)	6.70	-	5.50	7.50	-	26.00	0.10	45.80	5,337.00	116.53
Investigations	-	-	-	-	-	-	-	-	-	-
Realisation of Assets	-	-	-	-	-	-	-	-	-	-
Creditors (claims & distributions)	-	-	-	-	-	-	-	-	-	-
Total Hours	6.70	-	5.50	7.50	-	26.00	0.10	45.80	5,337.00	116.53
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	120.00			

Additional Information in Relation to the Joint Administrators' Fees

1 Fee Basis

- 1.1 The Joint Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by them and their staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Joint Administrators propose to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Joint Administrators' Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Joint Administrators' fees estimate will be included in this information, which also provides details of the rates the Joint Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Joint Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Joint Administrators estimate of fees.
- 1.4 In this case, we do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.
- 1.5 However, should additional realisation be made as a result of our investigations, we may consider it necessary to seek further approval under the Insolvency Rules to exceed the fees estimate included with this report.
- 1.6 Listed below are particulars of the work we propose to undertake in support of the fees estimate for the Administration:

Administration (including statutory compliance & reporting)

- 1.7 The Joint Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.
- 1.8 This work includes:
- Notifying creditors of our appointment and other associated formalities, including statutory advertising and filing relevant statutory notices at Companies House;
 - Preparing and issuing progress reports to members and creditors;
 - Lodging periodic returns with the Registrar of Companies for the Administration;

- Complying with statutory duties in respect of our specific penalty bond;
- Creating and updating case files on CHBR's insolvency software;
- Securing the Company's books and records;
- Pension regulatory reporting and auto-enrolment cancellation;
- Completing and filing of the notice of the Company's insolvency to HMRC;
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 ("CDDA") including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration;
- Filing a statutory return to the Department for Business, Energy and Industrial Strategy under the CDDA;
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter);
- Opening, maintaining and managing the Administration estate cashbook and bank account(s);
- Dealing with all post-appointment VAT and corporation tax compliance.

Creditors (claims and distributions)

- 1.9 As Joint Administrators, we will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the Proposals, we do not envisage that a distribution to creditors will eventuate in this case. However, should our investigations conclude that the customer deposits are for the benefit of the Administration estate, there may be a dividend to the preferential and unsecured creditors.
- 1.10 It should be noted that the above is based on the EOS contained within these Proposals.
- 1.11 This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake by statute. We have included the time we consider will be needed to comply with the above legislation within Administration above.

Investigations

- 1.12 As Joint Administrators, we are required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the CDDA and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).
- 1.13 This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake by statute. We have included the time we consider will be needed to comply with the above legislation within Administration above.

- 1.14 If however, our initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category.
- 1.15 If following the conclusion of our initial investigations we consider that further investigation work is then required to pursue assets of the Company, we will provide creditors with an update on our fees estimate in due course.

Realisation of Assets

Pre-Packaged Sale

- 1.16 As previously detailed, a sale of the Company's business and certain assets completed to Archibo in the sum of £38,000. The sum of £28,000 is currently being held in CHBR's client account and a deferred payment in the sum of £10,000 is due to be paid on 4 July 2020.
- 1.17 We will liaise with Archibo to ensure that payment is received on time.

Customer Deposits

- 1.18 As aforementioned, we have been made aware that the Company held various different bank accounts holding customer deposits. The sum of £79,143 has been transferred to the CHBR client account which represent the total credit balance held in the customer deposit accounts. The Joint Administrators will endeavour to reconcile the customer deposits to ascertain whether they agree with company records.
- 1.19 We are currently unaware if these funds are non-refundable deposits and therefore an asset of the Administration or whether these funds are due back to the customers. The Joint Administrators will take legal advice in respect of the same and we will provide a further update in our next report to creditors.

Book Debts

- 1.20 The Company has an outstanding book debt ledger in the sum of £241,350; however, two of these book debts are owed by companies that are in Administration which total £213,676 and dividend prospects are currently unknown.
- 1.21 The remaining outstanding ledger in the sum of £27,674 consists of six book debts. Archibo made an offer in the sum of £13,000 for three of the book debts totalling £25,845. As such, this was accepted and included as part of the pre-packaged sale.
- 1.22 In addition to the two debtors that are in Administration, the three remaining debtors have not been included in the pre-packaged sale which total £1,831; however, the likelihood of recovering these book debt is unknown. As such, the estimated to realise value has been scheduled as 'Uncertain' for the purposes of the Estimated Outcome Statement.
- 1.23 The Joint Administrators will liaise with the Administrators of the two companies to ascertain the likelihood of a dividend to creditors and write to the remaining debtors to request that payment is made in full. A further update will be in our next report to creditors.
- 1.24 Below is our fees estimate for the Administration. The work we anticipate undertaking in relation to this estimate has been outlined above. It is an estimate for the entire

THE UK GREAT TRAVEL COMPANY LIMITED T/A TOGETHER TRAVEL - IN ADMINISTRATION

Administration. If we consider this estimate will be exceeded, we will advise creditors and seek approval for our revised fees estimate as appropriate.

- 1.25 As previously advised, the Joint Administrators are seeking to fix the basis of their remuneration by reference to the time properly spent by them and their staff in dealing with all matters arising in the Administration, an estimate of this time is included below.

	Hours								Total Cost £	Average Cost £
	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total Hours		
Administration (inc statutory compliance & reporting)	12.00	15.00	18.00	25.00	-	50.00	10.00	130.00	24,200.00	186.15
Investigations	8.00	11.00	13.00	18.00	-	38.00	-	88.00	16,590.00	188.52
Realisation of Assets	3.00	4.00	5.00	8.00	-	15.00	10.00	45.00	7,715.00	171.44
Creditors (claims & distributions)	-	-	-	-	-	-	-	-	-	-
Total Hours	23.00	30.00	36.00	51.00	-	103.00	20.00	263.00	48,505.00	184.43
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	120.00			

2 Expenses

- 2.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in our future progress reports.

Expense- CHBR	Provider	Basis of fee arrangement	Estimated Cost to date £
Pre Appointment Agent's Fees - Valuation of the assets and liaising with interested party.	RKA	Fixed Fee	£2,500 plus VAT
Pre Appointment Agent's Disbursements	RKA	Fixed Fee	£6 plus VAT
Pre Appointment Legal Fees	Knights	Fixed Fee	£5,107 plus VAT
Pre Appointment Legal Disbursements	Knights	Fixed Fee	£70 plus VAT
Statutory advertising	Courts Advertising	Fixed Fee	£95 plus VAT
Administrator's bond	AUA Insolvency Risk Services Limited	Fixed Fee	£108
Document storage	Restore Plc	Fixed Fee	-

3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Joint Administrators remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.

3.3 We are not proposing to utilise the services of any sub-contractors in this case.

4 The Joint Administrators' Disbursements

4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

4.3 We would advise that the following Category 2 disbursements are currently charged by this firm:

Type and purpose	£
Accountancy Fees	£2,500 plus VAT

4.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.

5 Charge-out Rates

5.1 A schedule of Cowgill Holloway Business Recovery LLP's charge-out rates for this assignment effective from 1 March 2012 is detailed below.

5.2 Please note this firm records its time in minimum units of 6 minutes.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180

THE UK GREAT TRAVEL COMPANY LIMITED T/A TOGETHER TRAVEL - IN ADMINISTRATION

Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

Estimated Outcome Statement as at 10 February 2020

	Notes	£
Assets		
Sale Proceeds Held by CHBR	1	28,000
Contracts	2	10,000
Customer Deposits	3	Uncertain
Book Debts	4	Uncertain
		38,000
Less: Estimated costs of Administration	5	(38,000)
Estimated funds available for Preferential Creditors		Nil
Less: Estimated Preferential Creditors	6	(918)
Estimated Surplus / (Deficiency) to Preferential Creditors		Nil
Prescribed Part calculation	7	N/A
Estimated Surplus / (Deficiency) to floating charge creditor		N/A
Less: Debts secured by floating charge b/d		N/A
Estimated Surplus / (Shortfall) to floating charge creditor		Nil
Add back Prescribed Part	7	N/A
Estimated available to unsecured creditors		Nil
Less: Unsecured Creditors:		
Deficiency to Preferential Creditors c/d		(918)
Employees - PILON/Redundancy Pay	8	(21,702)
Trade & Expense Creditors	9	(315,981)
HSBC Bank Plc	10	(320,000)
HMRC - VAT	11	(30,000)
HMRC - PAYE	11	(33,869)
Total Unsecured Creditors		(722,470)
Estimated (Shortfall) to Unsecured Creditors		(722,470)
Estimated Total (Shortfall) to Creditors		(722,470)
Notes		
1. The sum of £28,000 is currently being held in CHBR's client account in respect of the pre-packaged sale of the business and assets.		
2. The sum of £10,000 is due to be received on 4 July 2020 in respect of deferred payments in relation contracts.		
3. We have been made aware that the Company held various different bank accounts holding customer deposits. The sum of £79,143 has been transferred to the CHBR client account which represent the total credit balance held in the customer deposit accounts. We are currently unaware if these funds are non-refundable deposits and therefore an asset of the Administration or whether these funds are due back to the customers. The Joint Administrators will take legal advice in respect of the same. As such, the level of realisation expected is currently scheduled as 'Uncertain' for the purposes of the EOS.		
4. As per Sections 9.8-9.11, the Company has a book debt ledger which has not been included in the pre-packaged sale. Two of the outstanding debtors in the sum of £213,676 are both of which are in Administration. There is also a small residual ledger which has not been included in the pre-packaged sale; however, the likelihood of recovering these book debts is unknown. As such, for the purpose of the EOS, the level of realisations has been scheduled as 'Uncertain.'		
5. See breakdown below.		
6. The sum of £918 has been calculated in respect of arrears of wages and holiday pay which rank as a preferential claim.		
7. The Company has not granted any secured charges over its assets therefore the provisions of a Prescribed part fund do not apply.		
8. The sum of £21,702 has been calculated in respect of redundancy pay and pay in lieu of notice which rank as an unsecured claim.		
9. The trade and expense creditors have been calculated using the figures contained in the Company's books and records.		
10. It is understood the Company's current account with HSBC Bank Plc is currently overdrawn in the sum of £320,000.		
11. The balances due to HMRC have been taken from the Company records.		
Estimated costs of Administration		
CHBR - Pre Appointment Fee		(13,125)
RKA - Pre Appointment Fee		(2,500)
RKA - Disbursements		(6)
Pre-Appointment Legal Fees		(5,107)
Pre-Appointment Legal Disbursements		(70)
Cowgills Joint Administrators' Fees - We anticipate our fees to be circa £48,505; however, our fee is capped to the level of realisable asset		(16,255)
CHBR - Disbursements		(937)
		(38,000)

Joint Administrators' Statement on Pre-Packaged Sale

The UK Great Travel Company Limited T/A Together Travel - In Administration ("the Company")

Overview

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of Joint Administrators and the Joint Administrators effect the sale immediately on, or shortly after appointment, this is known as a pre-packaged sale.

Prior to the appointment of Joint Administrators, the insolvency practitioners may act in an advisory capacity to the Company. During this time the insolvency practitioners' roles are not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets. We would confirm that the director were advised to take their own independent advice on their position in this regard. It is also possible that a different insolvency practitioner may be the eventual Administrator and not the insolvency practitioner who provided the advice to the Company before any formal appointment was made.

The role of Joint Administrators once the Company has entered Administration is for them to perform their functions with the objective of either rescuing the Company as a going concern or achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first.

If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the Company may be pursued, providing the Joint Administrators avoid unnecessarily harming the interests of the creditors as a whole.

In this case, the Joint Administrators have pursued the second objective of *'achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first'* and considers that the pre-packaged sale enables the statutory purpose of Administration to be achieved and that the outcome achieved was the best available for creditors as a whole in all the circumstances.

Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of all or part of the Company's business and assets to Archibo Limited ("Archibo") in accordance with the provisions of Statement of Insolvency Practice 16 ("SIP16").

Background

The Company was incorporated on 22 April 2010 and originally operated under the brand of Natural Retreats (rebranded as Together Travel in February 2019) with the intention to operate high end self-catering holiday accommodation, providing full operational services to owners of properties in this part of the leisure sector. The company acts as an agent for the property owners in return for a management fee for carrying out the following services:

- Marketing the property for holiday rentals;
- Sales – both online and over the telephone;
- Site operations, managing all the guest stay and changeover of the properties;
- Technology for the whole process;
- Finance;
- HR.

The current directors are Ewan Kearney ("EW"), Anthony Wild ("AW") and Matthew Spence ("MS") and the change in directorships since incorporation are detailed below:

Director	Appointed	Resigned
Halliwells Directors Limited	22 April 2010	10 May 2010
Mark Halliwell	22 April 2010	10 May 2010
David Gorton	26 July 2010	18 November 2010
Timothy Dennis	26 July 2010	1 January 2017
Anthony Wild	10 May 2010	-
Matthew Spence	24 June 2010	-
Ewan Kearney	24 June 2010	-

The Company's intention was to create a brand in this sector so customers would visit the various locations that were branded and operated by the Company and know the service and high quality of the product they were paying for. The management team had experience covering luxury travel and operations, finance in leisure and property and other property management services.

The Company secured private investment from a high net worth individual who funded growth of the business by way of a loan into the business as well as revenues from its main source of trading from its initial operating contracts.

The Company secured several operating contracts for sites in the UK with ambition to grow further in the UK and into the US. There was a centrally located team based in Wilmslow, Cheshire who provided the marketing, sales, finance, HR and technology services for operating the sites and then employees on location where the holiday properties were located. Further operating contracts were secured within the first 2 years and with the intention to continue to grow the brand presence and business, the central team was expanded, funded by the investor loan. The majority of the sites were owned by the major customer who still account for approximately 60% of turnover.

In 2012, the Company expanded into the US securing its first operating contracts in two locations in Idaho and Virginia. Operations in the US were initially done from the UK resource and eventually a US operational base was formed with a separate sister subsidiary to the Company and the start of its own team based in the US, yet

mirroring the central team structure of the UK. This US subsidiary and the Company had a common parent company.

This continued expansion and growth was still funded by the initial UK investor and the company was loss making throughout this whole period; however, this was part of the business plan because the main focus was on growth of contracts and operating locations. Further new locations were secured in both the UK and US, and the central teams, particularly in the US, continued to expand in readiness for further growth.

In late 2014, new US investors were secured and some of their funds were used to pay off and refinance the entire loan provided by the initial UK investor. The remainder of their investment went into the overall group to fund its continued growth. Both the UK and US were still loss making at this time, with the intention to keep investing into growth for another few years to eventually turn that focussed growth into profitable trading. Rapid growth, particularly in the US and some in the UK, ensued for the following three years and as a group it was nearing break even position.

Throughout this three year period after joining with the US investors, it became clear that the founder management team felt that they were the wrong investors, despite supporting the growth. However, the management team always wanted to focus some of the investment back on the UK market, where the business had started. These US investors did concentrate on the UK and all their focus was on the US and there was a sense of 'suffocating' the founding management team.

Therefore, towards the end of 2017, a separation of the management team and the US investors took place with the management team buying back 100% of the UK business and the share capital of the Company, for a share exchange of its stake in the parent company of the group and a vendor loan of \$1.5m from the US group, payable over 5 years.

The founding Management team (MS, EK and AW) therefore held full ownership and control of the UK business, being the Company.

At the time of this change in ownership, the UK business as a standalone entity was still loss making and it had inherited a large amount of legacy creditors as part of the separation that had been incurred for running the whole group (both in the UK and US).

Therefore, this business started off with cash flow challenges from the outset. However, there were several long-term contracts held in this company from which to trade out of this position and restructure its cost base to turn into profit.

In September 2018, the Company lost its largest contract which generated approximately one third of its management fee revenue. Additionally, the Company incurred a significant bad debt which caused cash flow issues.

As a result of this significant loss of revenue, the Company had to quickly restructure its cost base and make several redundancies, whilst also securing an overdraft from its bank for £400k. Once the Company had drastically reduced its cost base (at significant cost to the business to fund the redundancies, utilising the bank overdraft), it had become profitable whilst it secured some new contracts to increase its revenues without further increasing its cost base. Unfortunately, this also coincided with the decline in the relationship with the *major customer which further exacerbated the position.*

In 2017 (just before the separation from the US investors), the Company had signed a 25 year lease with Scottish Canals ("SC") for over circa 17 properties. This lease would allow the Company to trade holiday rentals from these properties whilst paying SC a fixed annual rent payment under the terms of the lease. Unfortunately, this contract proved to be detrimental to the Company and losses were incurred.

Therefore, despite best efforts, for the following two years the Company could not generate sufficient revenues from these properties to cover costs and pay the rent to SC and consequently, from late 2018 and throughout 2019, the Company did not have the free cash flow within the rest of its business to fund these rent payments meaning that significant arrears accrued. The Company attempted to renegotiate the terms of the lease with SC in order to find a model that was more sustainable. However, this proved to be unsuccessful.

In October 2019, SC instigated court proceedings for collection of the rent arrears. This along with the large bad debt and the break down in relationship with the major customer meant that the Company was in severe financial distress and therefore sought the advice of Cowgill Holloway Business Recovery LLP ("CHBR") to discuss the Company's financial position.

Initial introduction

We were originally introduced to the Company by a third party and an initial meeting took place on 7 November 2019 where two of the Company directors, EK and AW, met with Jason Mark Elliott ("JME") and Benjamin Cowgill ("BC") of CHBR.

The Joint Administrators do not believe that there is any significant personal or professional relationship between the Company or its directors and Cowgill Holloway Business Recovery LLP and carried out the appropriate conflict review prior to accepting the appointment. We would confirm that we were formally engaged by the Company on 17 January 2020.

Pre-appointment considerations

At the initial consultation with EK and AW on 7 November 2019, the Company's financial position was discussed. The court summons from SC was noted, along with the large bad debt and the breakdown in relationship with the major customer.

At this meeting, the current management information was reviewed and this reflected a neutral trading position. Furthermore, the historic liabilities were not significant and other than SC, the Company was not under significant creditor pressure. However, there were cashflow issues and without the ongoing support of the major customer, the Company could not continue in its current form.

As such, it was agreed that the directors would firstly discuss the position with its major customer and at the same time contact SC to try to negotiate a suitable 'drop hands' deal. It was possible that in the event the major customer was prepared to continue to support the business at the historical levels that it could restructure and continue to trade outside of a formal insolvency process.

However, for the reasons detailed later within this report, this ultimately proved unsuccessful.

As such, at a second meeting held on 10 January 2020, Administration was considered to be appropriate and likely to achieve the best result for creditors in the circumstances. Further information on the following options discussed is detailed below:

Continued trade both with or outside of a formal CVA

At the initial meeting between JME, BC, EK and AW on 7 November 2019, continuing to trade both with or outside a formal CVA was discussed; however, the management information prepared by the Company suggested that it would not be in a position to continue to trade in its current form without a significant injection of funds.

The majority of the Company's revenue was generated from one particular customer and as a result of a breakdown in relationship between the Company and the major customer, there is no immediate resolution to replace the lost turnover.

The Company had also received a judgement from Scottish Canals which the Company could not discharge in full and therefore continuing to trade outside of a formal insolvency process was likely to have resulted in a winding up petition being issued.

Furthermore, due to the imminent creditor action, it was considered that the Company had insufficient time to submit a CVA proposal, before a winding up petition would be presented by SC.

It was therefore considered that trading the business outside of a formal insolvency process or via a CVA was not a viable option.

Liquidation and subsequent forced sale of the Company's assets

Liquidation would mean cessation of trade and termination of all employee contracts. In the event that the employees were made redundant, the creditors' claims of a preferential and unsecured nature would be anticipated from all 47 employees.

The tangible and intangible assets of the Company would have to be sold on a forced sale basis which as detailed further in this report would substantially reduce realisations and in comparison to an 'in-situ' business sale which was understood to be a realistic option.

Furthermore, Liquidation would also have a significant negative impact on the collectability of the book debt ledger as it is likely that the debtors would raise disputes in attempts not to pay due to the cessation of trade.

It was therefore considered that Liquidation and a forced sale of the assets was not the best option for the Company and its creditors. Further specifics are provided in the Comparative Outcome section.

Distressed Sale of the Business and Assets as a Going Concern by Management

In light of the lack of working capital and increasing creditor pressure, it is understood that should the Company have continued trading to undertake a marketing campaign without any protection, it was under severe risk of receiving a winding up petition, which would result in cessation of trade and as highlighted above, was expected to reduce the value of asset realisations.

In addition, the Directors were not aware of any party that was willing to buy the business outside of the formal process at the time.

It was believed that, should the Company have continued trading to undertake such a marketing campaign without any protection, it was under severe risk of receiving a winding up petition. As such, this was not considered appropriate.

Sale of assets by the Administrator after a period of marketing to third parties

Should the Company be placed into Administration, without an agreed sale of the business, the business opportunity would have to be marketed by the Administrator to third parties. This would have increased costs of marketing and should a business sale not be completed after marketing, the assets may have to be sold piecemeal which would incur further costs and reduce asset realisations for the Administration estate and for creditors.

In addition, Jonathan Kay of Robson Kay Associates Limited ("RKA") confirmed that he could not envisage that an arms' length third party would be willing to acquire the business and assets and reserve the employment of all staff in the Company's current dispute with the major customer who account for the majority of the Company's turnover and give the Company exclusive rights to sell holidays on the major customers' sites.

Therefore, any incoming purchaser would be reliant on the co-operation of the major customer to continue to sell holidays relating to their sites. As such, a period of marketing would only incur significant costs and potentially jeopardise the sale whilst worsening the position for creditors thereof.

Pre-packaged Sale of the Business and Assets as a Going Concern by the Joint Administrators

Following the initial meeting on 7 November 2019, the directors spoke to SC to try and negotiate a deal that would avoid the Company being placed into a formal insolvency process. The basis of a full and final settlement agreement was reached with SC, but after considering the overall financial position of the Company including large overheads and the uncertainty of future revenues due to the erosion in the working relationship with the major customer, it was not in the best interests of the Company to accept the offer from SC.

As a result, on 10 January 2020, JME and BC had a further meeting with the directors and the representative of the major customer to discuss whether there were any alternatives to a formal insolvency process. It was apparent that there was no prospect that the major customer was prepared to continue the relationship nor were there any known third party who could inject funds into the business.

However, at the meeting, the representative of the customer confirmed that they may have an interest in acquiring the business and assets through a formal insolvency process should this be appropriate.

Subsequently, RKA was engaged by the Company to conduct an assessment of the business and assets and provide his marketing recommendations and strategy. RKA attended site on 15 January 2020.

RKA advised that the major customer accounted for the majority of the Company's turnover and are reluctant to work with a potential third party that is looking to acquire the business. As such, RKA advised that there was no business to market due to the reliance on the major customer and, as such, should the business be marketed for sale, this would only incur costs, delay a sale and achieve nothing in the way of realistic offers. Therefore, a marketing campaign was not deemed necessary if an offer could be obtained from the major customer.

Following RKA's visit and having considered all options, EK advised that the Company wished to instruct CHBR and proceed with a formal insolvency process. Furthermore, the business sale has encompassed a transfer of the Company's employees except the current directors and, as such, only three employee claims are expected in Administration.

CHBR were formally engaged on 17 January 2020 to place the Company into Administration.

Subsequently, the major customer via Archibo, an associated company by way of a former director, put forward an offer in the sum of £38,000 including unencumbered assets, goodwill & IPR, the transfer of all employees except the directors and the remaining book debt ledger at a rate of 50 pence in the pound. RKA considered the offer and noted the following:

- Archibo has a good working relationship with the major customer and therefore would likely continue to work with Archibo and retain a large proportion of turnover;
- 44 staff would be transferred to Archibo eliminating the majority employee preferential and unsecured claims;
- The completion of a pre-packaged sale in Administration is considered to significantly improve book debt collections due to the continuity of supply to customers;
- No further offers were received from third parties.
- The offer received was far in excess of the anticipated realisations should the Company cease to trade and be placed into Liquidation.
- The offer represented the best outcome for creditors;

Therefore, RKA recommended acceptance of the offer received from Archibo. As such, CHBR instructed Knights Solicitors ("**Knights**") to prepare the sale and purchase agreement ("**SPA**").

On 3 February 2020, EK signed the Notice of Appointment ("**NOA**") and the SPA was agreed by both parties on the same date with the purchaser depositing the funds with Knights on 3 February 2020. Once the SPA was finalised, the NOA was filed in Court on the same day and, as such, JME, Craig Johns ("**CJ**") and Nick Brierley ("**NB**") of CHBR were appointed as Joint Administrators of the Company on 3 February 2020. The pre-packaged sale to Archibo was completed immediately following the filing of NOA.

A pre-packaged sale has maximised asset realisations and helped to satisfy a purpose of the Administration in accordance with Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986 (as amended). The Joint Administrators believe that the second objective of Administration, *'Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first'* will be achieved as it has maximised realisations.

Trading the business

It was deemed that trading the business in Administration and marketing the business as a going concern was not a viable option as the management information prepared by the Company suggested that it would not be in a position to continue to trade without a significant injection of funds which were not available.

Also, it was noted that due to a breakdown in relationship with the major customer, there was a lack of working capital and new work going forward.

RKA strongly advised against trading the business in Administration as he believed there was no business to sell to any third party purchaser and a period of marketing would only incur significant costs and potentially jeopardise the sale whilst worsening the position for creditors thereof and putting the employment of circa 44 members of staff at severe risk. As such, it was decided that this was not a viable option.

Comparative outcome

The following table provides a comparative outcome of the going-concern valuation of the Company's assets against the outcome obtained via the pre-packaged sale and compares this with the likely realisations that would have been made via a sale of the Company's assets in a liquidation scenario or through a restricted marketing period post Administration.

Details of Assets	Going-concern (willing buyer) valuation £	Value achieved through the pre- packaged sale in Administration £	Anticipated value in Liquidation, or under a restricted marketing period post Administration £
Book Debts	13,000	13,000	6,500
Business Information	1	1	Nil
Contracts*	5,000	12,496	Nil
Fixtures, Fittings & Equipment	7,000	12,500	3,500
Goodwill	Nil	1	Nil
Intellectual Property	Nil	1	Nil
Stock	Nil	1	Nil
Totals	25,001	38,000	10,000

RKA advised that the intangible assets would be worth £5,000 if sold as a going concern; however, it is difficult to advise on the apportionment between the goodwill and intellectual property with accuracy, but the majority of the value is in the contracts.

There were no interested parties outside of a formal insolvency process and, as such, the realisations achieved through a pre-packaged sale in Administration achieved the best possible outcome for creditors.

Consultation with Major Creditors

The Company has not granted any charges over its assets and therefore we were unable to report and serve notice on a secured creditor.

No contact was made with the Company's unsecured creditors, due to the sensitive nature the sale and the agent's advice to the likelihood of finding an alternative purchaser. There was in excess of 40 employees whose jobs would have been lost had a creditor issued a winding up petition as a result of our contact.

Marketing of the business and assets

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the Company's creditors as a whole. The Joint Administrators advised the Company prior to their appointment, that any marketing should conform to the marketing essentials set out in SIP16 which includes the following key considerations:

- The business should be marketed as widely as possible, proportionate to its nature and size in the time available using whatever media or other sources that are likely to achieve this outcome;
- Previous marketing of the business prior to the Joint Administrators' involvement may not provide justification to avoid further marketing. The Joint Administrators must be satisfied as to the adequacy and independence of any prior marketing undertaken by the Company;
- Marketing should have been undertaken for an appropriate length of time to satisfy the Joint Administrators that the best outcome for creditors as a whole has been achieved;
- Any marketing attempts must by default, include the use of the internet.

RKA advised that the reliance on the major customer (and its properties) meant that there was no likelihood that the business would be attractive to any third-party purchasers.

As such, should the business be marketed for sale, this would only incur costs, delay a potential sale of the business and achieve nothing in the way of realistic offers. Therefore, a marketing campaign would not bring any financial benefit to creditors and, as a result, the agent advised against it.

Valuation of the business and assets

The Company's assets were valued on 15 January 2020 by RKA who is a Member of the National Association of Valuers and Auctioneers. RKA have confirmed their independence and that they carry adequate professional indemnity insurance.

RKA attending site on 15 January 2020 to provide an initial appraisal of the business and assets.

As we believed we would be receiving an offer for the business and assets, a valuation was sought on two bases. One being that a willing buyer would purchase the business and assets as a whole and with the assumption that they remained in their working place. On this basis, RKA valued the intangible assets at £5,000; however, he advised that it was difficult to apportion these funds to goodwill or intellectual property with accuracy, but the majority of the value was in the contracts. RKA also advised that he valued the physical assets in the sum of £7,000 on this basis.

However, in the event that offers may have been lower than these values, we also sought a valuation on a forced sale basis, in order to compare offers and assess whether any offer merited acceptance.

The forced sale value was based on a 'shut down' scenario and a sale by private treaty. RKA advised that the value of the Goodwill and Intellectual Property would be Nil on a forced sale basis and the physical assets would be valued at £3,500 in this scenario.

Details of the assets sold and the nature of the transaction

The Purchaser of the business and assets is Archibo Limited. The total sales consideration was the sum of £38,000 and the sale was completed on 3 February 2020. Archibo is an associated company by way of the involvement of Timothy Dennis who was a former director of the Company.

The terms of the sales consideration is:

- £28,000 on completion (3 February 2020)
- £10,000 on 4 July 2020

Archibo have not provided a guarantee for the deferred consideration.

The consideration paid was apportioned as follows:

Details of Assets	Value achieved through the pre-packaged sale in Administration
	£
Book Debts	13,000
Business Information	1
Contracts	12,496
Fixtures, Fittings & Equipment	12,500
Goodwill	1
Intellectual Property	1
Stock	1
Totals	38,000

The Company did not grant any charges and therefore all assets are uncharged.

The sale of the business and assets were not subject to VAT as this is a transfer of a business as a going concern; however, should H M Revenue & Customs' view be that VAT is payable then the purchaser will pay the VAT on demand.

The sale is not part of any wider transactions and is not subject to any buy-back arrangements.

Connected Party transactions

Where there are connections between an insolvent company and the purchasing entity, the purchaser meets the definition of a "connected party" and following recommendations made to the Department for Business, Energy & Industrial Strategy about pre-packaged sales to connected parties, it was felt that some of the concerns expressed about such transactions in the context of insolvency, may be overcome by having an independent party review the proposed sale and offer an opinion on the appropriateness of the grounds for the sale. This may provide reassurance to creditors that an independent person has considered the reasonableness of the proposed transaction.

As the transaction meets the definition of a connected party sale, the transaction is eligible for review by the Pre-Pack Pool (**the Pool**). The pool is an independent body of experienced business people and has been set up in response to a series of recommendations contained in an independent review of pre-packaged sales in administrations. A Pool member will offer an opinion on the purchase of a business and/or its assets by a party connected to a company where a pre-packaged sale is proposed by an Administrator.

The Pool, through its members, operates only to review and opine on applications made voluntarily by connected parties. Further information on the work of the Pool can be found in the 'Questions and Answers about the Pre-Pack Pool' document on the Pool's website at www.prepackpool.co.uk

The purchasers were made aware of their ability to approach the Pool and the potential for enhanced stakeholder confidence from the connected party approaching the Pool.

In this case, the Pool has not been approached by the connected party.

Viability statement

The purchasing entity were also made aware of the potential for further enhanced confidence should a viability statement be prepared by the purchasing entity in support of the continued trade.

A viability review can be drawn up by a connected party wishing to make a pre-packaged purchase which covers the greater of 12 months, or the period over which any consideration is to be deferred in order to demonstrate how the purchasing entity will survive for this period from the date of the proposed purchase and may include details of what the purchasing entity will do differently to avoid a future failure of the business.

As Joint Administrators, we requested that the connected party provide us with a copy of their viability statement. The connected party declined to provide this to the Joint Administrators.