

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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05/09/2018 #206
COMPANIES HOUSE

1 Company details

Company number 07263921

Company name in full CAF Realisations Limited
formerly Chelsea Apps Factory Limited

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

2 Administrator's name

Full forename(s) Andrew

Surname Hosking

3 Administrator's address

Building name/number High Holborn House

Street 52-54 High Holborn

Post town London

County/Region

Postcode WC1V 6RL

Country

4 Administrator's name

Full forename(s) Simon James

Surname Bonney

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

5 Administrator's address

Building name/number High Holborn House

Street 52-54 High Holborn

Post town London

County/Region

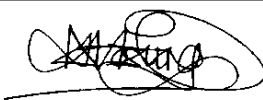
Postcode WC1V 6RL

Country

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

AM03
Notice of Administrator's Proposals

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

7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div>^d0^d4</div><div>^m0^m9</div><div>^y2^y0^y1^y8</div></div>	

In the High Court of Justice in Leeds, Number 601 of 2018

**CAF Realisations Limited
(formerly Chelsea Apps Factory Limited)
In Administration**

THE JOINT ADMINISTRATORS' PROPOSAL

**Andrew Hosking and Simon Bonney
Joint Administrators**

Quantuma LLP

High Holborn House, 52-54 High Holborn, London, WC1V 6RL

020 3856 6720

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1. Executive Summary

- 1.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2 The Company was incorporated on 25 May 2010 and the principal activity of the Company was to develop and implement applications technology. The Company traded from leasehold premises at 10 Lindsey Street, London, EC1A 9HP. On 12 July 2018, Andrew Hosking and Simon Bonney of Quantuma LLP were appointed Joint Administrators of the Company by the Directors of the Company.
- 1.3 As explained in more detail in the Statement of Proposals, the Joint Administrators are currently pursuing the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Sale of assets	258,935.89	0.00	258,935.89
Cash at bank	1,572.37	0.00	1,572.37
Book debts**	0.00	120,000.00	120,000.00
Rent deposit	0.00	Uncertain	Uncertain
Directors loan account	0.00	Uncertain	Uncertain

** The sale of assets included an agreement with the purchaser regarding the collection of outstanding debtors. The agreement is detailed as follows:

"20% of debtors as at the transaction date, payable as monies are collected, capped at £120k, on monies collected within 12 months".

Expenses

Expense	Expense incurred to date £	Anticipated further expense £	Total anticipated expense £
Quantuma's pre-appointment fees	28,221.75	0.00	28,221.75
Quantuma's pre-appointment disbursements	195.00	0.00	195.00
Joint Administrators' fees	11,021.75	Uncertain	Uncertain
Joint Administrators' disbursements	203.25	872.55	1,075.80
Solicitors' Fees	25,000.00	5,000.00	30,000.00
Solicitors' Disbursements	137.51	0.00	137.51
Agents' fees	10,000.00	0.00	10,000.00
Agents' Disbursements	118.75	0.00	118.75

Dividend prospects

Creditor class	Distribution / dividend paid to date (p in £)	Anticipated distribution / dividend (p in £)
Secured creditor (fixed charge)	NIL	16.36
Secured creditor (floating charge)	NIL	13.91
Preferential creditors**	NIL	N/A
Unsecured creditors via the prescribed part	NIL	3.37

** No preferential claims are expected in the Administration.

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

2. Statement of Pre-Administration Costs

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

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

- 2.2** Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. In addition, it was considered advantageous to take steps to market the business and assets of the Company and to negotiate with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. Thus, agents were engaged to value and market the business and assets by the most beneficial means in view of the time available. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser.

It was felt that this strategy would further the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. Further information regarding the work done prior to Administration is given in Attachment B to the Statement of Proposals. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second Administration

objective would improve the prospects of recovery, even avoiding some claims arising, e.g. those of the employees.

- 2.3 The pre appointment costs of the Joint Administrators in the sum of £28,221.75 were incurred in relation to activities outlined above.

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

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

	£
Category 1	
IP Bid Limited – Advertising Fee	195.00
Total	195.00

- 2.5 Pinsent Masons LLP ("Pinsent") were instructed on 1 June 2018 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a timecosts basis and consequently costs of £25,000.00 were incurred in the pre administration period in connection with the following activities:

- Preparing appointment documentation; and
- Preparing and executing the sale and purchase agreement.

Pinsent Masons LLP have incurred expenses of £137.51 in relation to statutory filing of appointment documentation.

SIA Group (UK) Limited were instructed on 21 June 2018 to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to provide advice in respect of the offer received by the Company for its business and assets from the purchaser.

It was agreed that their services would be provided on a fixed fee basis and consequently costs of £10,000.00 were incurred in the pre administration period. Additionally SIA Group have incurred expenses of £118.75.

- 2.6 We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

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

	Total cost incurred	Amount already Paid	Identity of party who made payment	Amount Outstanding
	£	£		£
Administrators' pre-administration Remuneration	28,221.75	Nil	N/a	28,221.75
Administrators' pre-administration Expenses:				

CAF Realisations Limited (In Administration)

The Joint Administrators' Proposal

Legal fees	25,000.00	Nil	N/a	25,000.00
Legal disbursements	137.51			137.51
Agent's fees	10,000.00	Nil	N/a	10,000.00
Agent's disbursements	118.75	Nil	N/a	118.75
Administrators' Pre-administration Disbursements				
Category 1	195.00	Nil	N/a	195.00
Total Amount Outstanding				£63,673.01

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

	£
Quantuma's pre-appointment fees	26,476.75
Quantuma's pre-appointment disbursements	195.00
Agents' costs	10,118.75
Solicitors' costs	<u>25,137.51</u>
Total	63,673.01

2.9 While I have scheduled above all the unpaid pre-Administration costs and expenses, I am only seeking to recover the following as an expense of the Administration:

	£
Quantuma's pre-appointment fees	20,000.00
Quantuma's pre-appointment disbursements	195.50
Agents' costs	10,118.75
Solicitors' costs	<u>25,137.51</u>
Total	55,451.76

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

3. The Joint Administrators' Fees

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

- (i) A set amount of £20,000 for the Administration; and
- (ii) In addition the Joint Administrators propose that they charge a fee of 50% of receipts in relation to realisations made in addition to the initial sale and purchase agreement (including book debt recoveries) and in respect of claims made against any party, including claims under any section of the Insolvency Act 1986 (as amended), the Companies Act 2006 or in the event that monies are recovered from connect parties

3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 3 September 2018. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

3.3 The charge-out rates of the Joint Administrators and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of

the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being agreed. The grades of staff instructed to assist in this matter and their key responsibilities include:

- Administrators: maintenance of the creditors' contacts database, assisting with creditors' queries and routine correspondence, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing reports to creditors and other statutory matters, and managing the cashiering function;
- Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors and overseeing the tax and VAT aspects of the case;
- Partners: Agreeing case strategy and commercial terms, liaising with key stakeholders including directors, the secured and major unsecured creditor and professional advisor. Overall responsibility for the Administration.

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

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

4. The Joint Administrators' Expenses

4.1 Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or creditors. These may include, but are not limited to, legal and agents' fees, trading expenses and tax liabilities.

Disbursements are expenses initially met by, and later reimbursed to, an office holder in connection with an insolvency appointment and will fall into two categories: Category 1 and Category 2.

- Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment in question. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that administrators may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 disbursements are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors have approved the bases of their calculation.

4.2 Appendix III provides details of the bases of Category 2 disbursements that the Joint Administrators propose to recover from the insolvent estate and also provides details of the Category 1 and 2 disbursements as well as the other expenses that the Joint Administrators expect to incur in the Administration.

5. Proposed Work to be Undertaken

- 5.1** Set out in Appendix V is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake.

Administration (including Statutory Reporting)

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

- 5.3** Primarily, these tasks include:

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

Investigations

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

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

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

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

- 5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

Realisation of assets

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

- Monitoring the purchaser's licence to trade/occupy and assisting to arrange an assignment or surrender of the lease;
- Continuing to liaise with the purchaser regarding the Company's outstanding book debts;
- Continuing to pursue the pre-appointment VAT/corporation tax refund;
- Recovery of Insurance premiums;
- Establishing the sums due in respect of the directors' loans/inter-company balances and pursuing settlement of these;

Creditors (claims and distributions)

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

- Liaising with the secured creditors in relation to the sale of assets subject to their security;
- With the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed;
- If a prescribed part dividend is to be paid in the Administration, adjudicating on all unsecured creditors' claims, including seeking further information where necessary; and
- Where relevant, calculating and paying the prescribed part dividend and dealing with unclaimed dividends.

6. Other Information to Support the Proposed Fees

- 6.1 Appendix V provides the Joint Administrators' estimate of the expenses that have been or are likely to be incurred.
- 6.2 Please note that the estimate has been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate.

- 6.3** In summary, the Joint Administrators propose that their fees be fixed in the sum of £20,000 to complete the proposed work as detailed above.
- 6.4** In addition the Joint Administrators propose that they charge a fee of 50% of receipts in relation to realisations made in addition to the initial sale and purchase agreement (including book debt recoveries) and in respect of claims made against any party, including claims under any section of the Insolvency Act 1986 (as amended), the Companies Act 2006 or in the event that monies are recovered from connect parties.
- 6.5** Fixing the Joint Administrators' fees in this way provides creditors with certainty as regards the fees irrespective of developments in the Administration (although the Joint Administrators have a statutory right to seek creditors' approval to adjust the fee in the event that circumstances change materially) and, if the Joint Administrators were to charge their fees on the alternative basis of time costs incurred by them and their staff, it is very likely that this would result in a fee at least equal to, and likely in excess of, that proposed. On this basis, the Joint Administrators consider the proposed fee basis to be a fair and reasonable reflection of the work that they propose to undertake.
- 6.6** The proposed fees and the Expenses Estimate have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the proposed fees and Expenses Estimate in accordance with the statutory provisions. It has been assumed that:
- investigations to the extent described in section 5 above will be carried out;
 - no exceptional work will need to be conducted in order to realise the remaining assets;
 - there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
 - there will be no need to extend the Administration for more than one year, approval for which will be sought from the relevant creditors at an appropriate time.

7. The Joint Administrators' Discharge

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

8. Approval Process

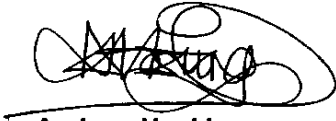
- 8.1** The creditors are not being asked to decide on the Joint Administrators' proposals, although they may ask the Joint Administrators to request such a decision. Further details can be found at section 8 of the Joint Administrators' Statement of Proposals.
- 8.2** As explained above, in the absence of a Creditors' Committee, certain matters described in this Proposal are to be decided by the secured creditor. Therefore, this information is provided to other creditors for information purposes only.

CAF Realisations Limited (In Administration)

The Joint Administrators' Proposal

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

Dated this 4 September 2018

A handwritten signature in black ink, appearing to read 'A. Hosking', written over a horizontal line.

Andrew Hosking
Joint Administrator

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

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

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

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

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

**High Court of Justice, Business and Property Courts in Leeds Court
Number 601 of 2018**

**CAF Realisations Limited
(formerly Chelsea Apps Factory Limited)
In Administration**

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

**Andrew Hosking and Simon Bonney
Joint Administrators**

Quantuma LLP

High Holborn House, 52-54 High Holborn, London, WC1V 6RL

020 3856 6720

Disclaimer Notice

- This Statement of Proposals has been prepared by Andrew Hosking and Simon Bonney, the Joint Administrators of CAF Realisations Limited (formerly Chelsea Apps Factory Limited), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for CAF Realisations Limited (formerly Chelsea Apps Factory Limited) and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All Insolvency Practitioners of Quantuma LLP are licensed in the UK to act as Insolvency Practitioners.

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)
Statement of Joint Administrators' Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

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CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

1. Introduction

- 1.1** This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2** In order to present to creditors Proposals which gives a clear outline of the current position of the Administration, it was decided that the Proposals would not be issued immediately following appointment with the SIP16 report to creditors. At the time of production of the SIP16 report, there was insufficient information to provide to creditors to give a clear and concise outline of the financial position of the Administration, especially relating to professional adviser costs. Therefore, this information has been sought and the Proposals circulated at a later date.
- 1.3** The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.4** This Statement of Proposals is being delivered to creditors on 4 September 2018.

The Joint Administrators think that there is insufficient property for a distribution to the unsecured creditors other than by means of the prescribed part. Consequently and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, creditors are not being asked to decide on the Joint Administrators' proposals, although they may ask the Joint Administrators to request such a decision. Please see section 8 for further details.

2. Background to the Company

- 2.1** The Company was incorporated with company number 07263921 in May 2010 and was set up in order to capitalise on the emerging market in application development for the consumer and enterprise.

The Company traded from leasehold premises at 1927 Building, The Old Gasworks, Michael Road, London, SW6 2AD.

The Company was principally financed by Cedar Assets Group Limited ("Cedar") Capital and Mike Anderson who provided loans to the Company in the sum of circa £350,000. The Company granted security to Cedar Capital in relation to the loan over its assets.

Over the coming years, the Company continued to grow and engage high profile clients with the Company in 2014 recording its highest level of turnover at c£7.1 million. As a consequence of its success, the Company satisfied its secured debt with Cedar.

In June 2016, the Company granted fixed and floating charges to Barclays Bank Plc over the Company's assets in order to inject funds to support the Company's growth and cash flow.

In March 2017, the Company moved to leasehold premises at 10 Lindsey Street, London, EC1A 9HP.

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Over the next year, the Company experienced cashflow difficulties, which were exacerbated by the non-payment of a significant balance by one client.

In addition, the Company entered into a Controlled Good Agreement with HM Revenue & Customs for unpaid tax. Due to the Company being unable to pay under the agreement, HMRC had started action to recover Company assets as detailed under the Agreement.

Quantuma LLP were approached by the Company on 1 June 2018, to assist with advising on the Company's options.

The Company was subsequently placed in to Administration on 12 July 2018.

Overview of Financial Information

- 2.2** Extracts from the audited accounts for the 12 months to 28 February 2017, 15 months to 29 February 2016, and unaudited management accounts from 1 January 2018 to 17 July 2018 are shown below.
- 2.3** Please note that this information has not been verified by the Joint Administrators or by Quantuma LLP. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

Summary Profit and Loss Account

	Draft Management Accounts for 1 Jan 2018 to 17 July 2018 £	Audited Statutory Accounts for year to 28 February 2017 £	Audited Statutory Accounts for 15 months to 29 February 2016 £
Turnover	2,522,301	6,664,038	7,184,930
Cost of Sales	(537,231)	(5,552,190)	(5,383,893)
Gross Profit	1,985,070	1,111,848	1,801,037
Other Expenses	(2,499,105)	(2,536,348)	(2,943,212)
(L)/EBIT	(514,035)	(1,424,500)	(1,142,175)

Source: Management/Audited Accounts

Summary Balance Sheet

	Draft Management Accounts for 1 Jan 2018 to 17 July 2018 £	Audited Statutory Accounts for year to 28 February 2017 £	Audited Statutory Accounts for 15 months to 29 February 2016 £
Tangible assets	102,994	110,288	66,764
Intangible assets	248,400	-	-
Fixed assets	351,394	110,288	66,764
Current Assets			

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Cash	(397,825)	45,970	124,214
Debtors	702,089	1,689,892	1,363,042
Tax	-	741,580	600,000
Other	(117,059)	-	-
	<u>187,205</u>	<u>2,477,442</u>	<u>2,087,256</u>
Liabilities			
Trade creditors	(721,589)	(3,924,067)	(2,895,306)
Other	(2,778,976)	-	-
	<u>(3,500,565)</u>	<u>(3,924,067)</u>	<u>(2,895,306)</u>
Total Liabilities			
	<u>(3,500,565)</u>	<u>(3,924,067)</u>	<u>(2,895,306)</u>
Net Liabilities	<u>(2,961,966)</u>	<u>(1,336,337)</u>	<u>(741,286)</u>

Source: Management/Audited Accounts

Management and Employees

2.4 As at 12 July 2018, the Company employed 42 staff, as follows:

Financial	2
Human Resources	2
Marketing	1
Operations	10
Sales	2
Department / Branch	<u>25</u>
	<u>42</u>

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

3. Events leading to the Administration

3.1 On 12 July 2018, Andrew Hosking, and Simon Bonney of Quantuma LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors of the Company.

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

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

3.4 In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link www.quantuma.com/legal-notices/.

4. The Purpose of the Administration

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

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

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

4.3 The Joint Administrators would comment that due to a lack of working capital the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

4.4 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Joint Administrators would comment that the Administration has enabled a sale of the business and assets to be achieved. This has meant that additional funds have been received into the Administration which are expected to benefit the creditors as a whole.

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

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

5.1 Immediately upon appointment the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

5.2 A pre-pack sale was undertaken and the information relating to this sale is attached at Attachment B.

Sales to connected parties

5.3 There have been no other sales of any of the Company's assets to connected parties since the Joint Administrators' appointment.

Assets remaining to be realised

5.4 On the Joint Administrators' appointment, the value of the Company's sales ledger was stated by the Company to be £619,383.85. It was agreed, as per the sale

agreement detailed at Attachment B, that the purchaser of the Company's business and assets would collect these debtors with 80% of the funds being retained by the purchaser and 20% being paid to the Administration estate (up to a maximum of £120,000). As illustrated in the Estimated Outcome Statement at Attachment D, on the basis of current information, it is estimated that the amount allocated to the Administration in respect of book debt collections will total £120,000.

Post appointment strategy

- 5.5** The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.6** The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters.
- 5.7** Legal advice has been required in relation to the various properties and leases. CA Factory Limited was granted a licence to occupy the premises of the Company on completion of the sale of business and assets whilst the business relocates and the lease is formally surrendered. The Joint Administrators have instructed their legal advisers to manage the surrender of the lease and this process is ongoing.
- 5.8** To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Pinsent Masons LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.9** In addition, SIA Group, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of plant and equipment, fixtures and fittings and other chattel assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal, as well as assisted with claims of retention of title and security.
- 5.10** All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

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

6. The Statement of Affairs and the Outcome for Creditors

- 6.1** A Statement of Affairs as at 12 July 2018 has been submitted by the Directors of the Company, a copy of which is attached at Attachment C. The Joint Administrators cannot give any warranty to the accuracy of the details provided.
- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3** The Joint Administrators have not carried out any work of the nature of an audit on the information.

Secured creditors

- 6.4** The Company's Bank debt at the date of the appointment of the Joint Administrators, and as set out in the Statement of Affairs, can be summarised as follows:

	£
Fixed and Floating Charge (Barclays Bank plc)*	875,000
TOTAL	£875,000

*This debt is cross guaranteed with the shareholder of the Company, CAF Holdings Limited.

- 6.5** The anticipated recovery to the secured creditor is shown on the Estimated Outcome Statement at Attachment C.

Preferential claims

- 6.6** It is not anticipated that there will be any preferential claims in the Administration as the employment of each of the Company's employees has transferred to CA Factory Limited in accordance with the TUPE regulations.

Prescribed Part

- 6.7** Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.8** From the Statement at Attachment D, you will note that the net property is estimated to be £155,843.66, which would result in an estimated prescribed part of £34,168.73. Please note that the net property figures and associated costs can only be estimated at this stage and therefore the value of the prescribed part is only an estimate and is subject to change.
- 6.9** The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because the Joint Administrators intend to distribute the prescribed part in the event that the net property exceeds £10,000.

Unsecured Creditors

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

6.11 Attached at Attachment D is the Joint Administrators' receipts and payments account for the period from 12 July 2018 to 4 September 2018.

7. The Joint Administrators' Fees

7.1 The Joint Administrators propose to be remunerated on the basis of a set amount of £20,000 for the Administration and 50% of receipts in relation to realisations made in addition to the initial sale and purchase agreement (including book debt recoveries) and in respect of claims made against any party, including claims under any section of the Insolvency Act 1986 (as amended), the Companies Act 2006 or in the event that monies are recovered from connect parties.

7.2 The Joint Administrators will seek approval for the basis of their fees from the secured creditor.

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

8. Approval of the Statement of Proposals

8.1 As explained in Section 6 above, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

8.2 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

8.3 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

9. Summary of the Joint Administrators' Proposals

9.1 The Statement of Proposals is summarised below.

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

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

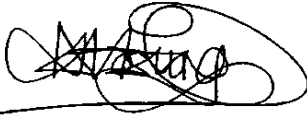
- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they realise the Company's remaining assets at such time(s) and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Andrew Hosking and Simon Bonney will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Andrew Hosking and Simon Bonney may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) (In Administration)

Statement of Joint Administrators' Proposals

Pursuant to Schedule B1 of the Insolvency Act 1986

Dated this 4 September 2018



Andrew Hosking
Joint Administrator

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

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

DEFINITIONS

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

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

STATUTORY INFORMATION

Company Name	CAF Realisations Limited
Previous Name(s)	Chelsea Apps Factory Limited
Trading Name(s)	Chelsea Apps Factory
Proceedings	In Administration
Court	High Court of Justice, Business and Property Courts in Leeds
Court Reference	601 of 2018
Date of Appointment	12 July 2018
Joint Administrators	Andrew Hosking and Simon Bonney Quantuma LLP High Holborn House, 52-54 High Holborn, London, WC1V 6RL
Registered office Address	c/o Quantuma LLP, High Holborn House, 52-54 High Holborn, London, WC1V 6RL
Company Number	07263921
Incorporation Date	25 May 2010
Company Secretary	Geraldine Isherwood
Appointment by	The Directors of the Company
Directors at date of Appointment	Michael Anderson Michael Altendorf
Directors' Shareholdings	None

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

PRE-PACK SALE DISCLOSURE

In accordance with SIP16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

PRE-PACKAGED SALE

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, Quantuma LLP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Quantuma LLP nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Quantuma LLP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Initial Introductions

Quantuma LLP was initially approached by the Company's directors on 1 June 2018 to help advise on the options available for the Company, as it was deemed to be insolvent.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment.

No fees have been agreed in respect of my pre-appointment advice.

The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the directors of the Company.

Background and Company History

The following summary of the Company's history has been compiled from information obtained from the directors and senior staff. The Joint Administrators are not able to verify its accuracy.

The Company was incorporated with company number 07263921 in May 2010 and was set up in order to capitalise on the emerging market in application development for the consumer and enterprise.

The Company traded from leasehold premises at 1927 Building, The old Gasworks, Michael Road, London, SW6 2AD.

The Company was principally financed by Cedar Assets Group Limited ("Cedar") Capital and Mike Anderson who provided loans to the Company in the sum of circa £350,000. The Company granted security to Cedar Capital in relation to the loan over its assets.

Over the coming years, the Company continued to grow and engage high profile clients with the Company in 2014 recording its highest level of turnover at c£7.1 million. As a consequence of its success, the Company satisfied its secured debt with Cedar.

In June 2016, the Company granted fixed and floating charges to Barclays Bank Plc over the Company's assets in order to inject funds to support the Company's growth and cash flow.

In March 2017, the Company moved to leasehold premises at 10 Lindsey Street, London, EC1A 9HP.

Over the next year, the Company experienced cashflow difficulties, which were exacerbated by the non-payment of a significant balance by one client.

In addition, the Company entered into a Controlled Good Agreement with HM Revenue & Customs for unpaid tax. Due to the Company being unable to pay under the agreement, HMRC had started action to recover Company assets as detailed under the Agreement.

The options listed below were considered with the directors.

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

The Company's shareholders and bank confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill and debtor realisations would have been greatly affected.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and potentially the lease on the trading premises, and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill and ensure a more effective debt collection process.

The Company determined that the best outcome for creditors would be a sale of the Company's business and assets via an Administration. As a result, Quantuma LLP were engaged by the Company, to advise in relation to the proposed Administration and the sale of the Company's business and assets. The directors filed a Notice of Intention to Appoint an Administrator ('NOI') on 15 June 2018 in order to protect the Company from creditor action and to maintain the value of its assets. A second NOI was filed on 29 June 2018, as there were delays to completion of the transaction.

Due to its financial circumstances that indicated a position of cash flow insolvency, it was not appropriate to continue the business of the Company or consider alternative insolvency options and therefore, an immediate sale of the Company's business and assets was in the best interests of creditors as a whole.

As a result the Company was placed into Administration by the Directors on 12 July 2018, and a sale of the Company's business and assets to CA Factory Limited was completed on the same day. The Purchaser was an independent third party however, the Purchaser retained Michael Anderson as director of the Purchaser. Further details in this regard are provided below.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's secured creditor, Barclays Bank Plc was contacted and the Company's circumstances and proposed strategy were explained. The creditor did not raise objections to the proposed pre-pack strategy.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Quantuma LLP for advice and we were advised that none had been undertaken by the Company

Kevin Counihan of SIA Group (UK) London ("SIA"), were then instructed to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible, in proportion to the nature and size of the business, which involved advertising on SIA's website, advertising to a list of SIA's known buyers (1,000+) and listing on www.ipbid.com.

Marketing was undertaken for a period of 7 days because it was deemed sufficient to invite realistic offers and still enabled the sale to complete in time to meet the Company's month-end payroll obligations, without which ongoing trade would have been impossible. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted were to invite interest from targeted parties in the industry via the agent's targeted list of 13 parties, from parties who have previously shown an interest in purchasing distressed businesses via ip-bid.com.

The marketing led to 2 parties expressing an interest and negotiations were entered into with those 2 parties that returned Non-Disclosure Agreements. Two funded offers were made however, following a

period of due-diligence, the only acceptable and unconditional offer received was from CA Factory Limited.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because it resulted in all staff employment and the business being retained. The marketing procedure was sufficient to ensure the offer that was ultimately accepted was the best available in the circumstances.

Valuation of the Business and Assets

Kevin Counihan of SIA was instructed on 20 June 2018 to value the business and assets of the Company. They confirmed their independence, are qualified by RICS, and have adequate professional indemnity insurance. The agent used is very experienced in the valuation and sales of insolvent businesses.

Their valuation was received on 2 July 2018 and is detailed below:-

	In Situ	Ex Situ	Actual Sale Price
	£	£	£
Goodwill**	-	-	208,929.89
Plant and Equipment	48,880.00	30,420.00	50,000.00
Business Intellectual Property	-	-	1.00
Business Records	-	-	1.00
Customer Contracts	-	-	1.00
Debts	-	-	1.00
Information Technology	-	-	1.00
Work in Progress	-	-	1.00
Total	48,880.00	30,420.00	258,935.89

** Goodwill could not be valued on the basis that any value attributed to the overall figure is highly subjective due to the Company being depended on the retention of Mike Anderson. Subsequently, SIA advised that a sale to the Purchaser (which included control for Mike Anderson) is the best way to achieve any significant realisations under goodwill and in the event of a formal insolvency scenario where the business ceased to trade it is unlikely any significant realisation for Goodwill would be achievable.

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place(s). The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets compares favourably with the above valuation.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 12 July 2018 with CA Factory Limited.

Mike Anderson, who was a director of the insolvent Company, is also director of CA Factory Limited.

However, Mike Anderson was made director of the purchaser in order to retain his services. An independent third Party, Alastair Watson, made the offer.

The transaction is between the insolvent Company and CA Factory Limited only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled £258,935.89 and required £258,935.89 to be paid on completion.

The sale consideration has been allocated to the following asset categories:-

	£
Goodwill (fixed charge)	208,929.89
Business Intellectual Property (fixed charge)	1.00
Customer Records (fixed charge)	1.00
Debts (floating charge)	1.00
Information Technology (floating charge)	1.00
Plant and Equipment (floating charge)	50,000.00
Work in Progress (floating charge)	1.00
Total	258,935.89

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and in consultation with the agents.

Cash at bank, encumbered assets, third party assets, Administrators' records, VAT record, supplier contracts and contracts of insurance were excluded from the Sale.

There were 42 employees who were transferred as part of the Sale.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

A licence to occupy was granted in respect of 10 Lindsey Street, London, EC1A 9HP whilst negotiations with the landlord of the property are progressed.

The Sale is not part of a wider transaction.

Connected Party Transactions

Pre-pack pool

The pre-pack pool has not been approached by the connected party.

Viability statement

The Joint Administrators requested a viability statement from the connected party, however this has not been provided.

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

**DIRECTORS' STATEMENT OF AFFAIRS AS AT 12 JULY 2018 AND CREDITORS'
DETAILS**

RECEIVED

13 AUG 2018

STATEMENT OF AFFAIRS

Company Name: Chelsea Apps Factory Limited (In Administration) ("the Company")

Company Number: 07263921

In the High Court of Justice, Business and Property Courts in Leeds, Number 601 of 2018

Statement as to the affairs of (a) Chelsea Apps Factory Limited of 10 Lindsey Street, London, EC1A 9HP

on 12 July 2018, the date that the Company entered Administration.

Statement of Truth

I believe that the facts stated in this Statement of Affairs are a full, true and complete statement of the affairs of the above named Company as at 12 July 2018, the date that the Company entered Administration.

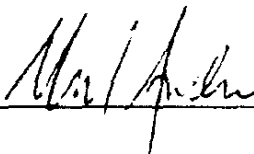
Full name MICHAEL ANDERSON

Signed Michael Anderson

Dated 9/8/18

A - Summary of Assets

	Book value (£)	Estimated to Realise (£)
Assets subject to fixed charge:	NIL	NIL
Less fixed charge:	(875,000.00)	(875,000.00)
Carry forward to floating charge	(875,000.00)	(875,000.00)
Assets subject to floating charge:		
Cash at bank	0.00	0.00
IT equipment	41,294.59	0.00
Fixtures & fittings	41,390.82	0.00
Rent deposit	248,400.00	0.00
Accounts receivable	702,089.31	88,019.78
Prepayments, accrued income, etc.	541,373.29	0.00
	1,033,174.71	88,019.78
Less floating charge:	(875,000.00)	(875,000.00)
Carry forward:	158,174.70	(786,980.22)
Uncharged assets:		
The company has no uncharged assets	NIL	NIL
Estimated total assets available for preferential creditors	158,174.70	(786,980.22)

Signature  Date 9/8/18

A1 - Summary of Liabilities

Estimated total assets available for preferential creditors (carried from page A)	(786,980.22)
Liabilities	
Preferential creditors:-	
Employees (number: _____)	NIL
Estimated deficiency/surplus as regards preferential creditors	
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	
Debts secured by floating charges	NIL
Estimated deficiency/surplus of assets after floating charges	
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditor	(786,980.22)
Unsecured non-preferential claims:-	
Employees (number: <u>3</u>)	(126,321.70)
Consumers who have paid in advance for goods or services (number: _____)	NIL
Other unsecured creditors	(1,402,877.60)
Estimated deficiency after floating charge where applicable (brought down)	(2,316,179.52)
Estimated deficiency/surplus as regards creditors	(2,316,179.52)
Issued and called up capital	(1,365.00)
Estimated total deficiency/surplus as regards members	(2,314,814.52)

Signature Mimi Friedman Date 9/8/18

COMPANY CREDITORS (excluding employees and consumers)

Note: You must include all creditors (excluding employees and certain consumers (see relevant page for definition of a consumer)) and indicate any creditors under hire-purchase, chattel leasing or conditional sale agreements and any creditors claiming retention of title over property in the company's possession.

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Box Business Solutions Ltd	512 Wokingham Road, Earley, Reading RG6 7HY	20,532.00			
BPR Group Ltd	52 Lant Street, London SE11RB	219.80			
Bytecamp SRL	Bld 21 Decembrie 1989 nr. 104 Cluj-Napoca Cluj 400124 Romania	41,820.00			
Carlyle Associates Limited	18 Walker Street, Edinburgh EH3 7LP	3,400.00			
Chubb UK	Number 1 @ The Beehive, Lions Drive, Sadworth Business Park, Blackburn BB1 2QS	1,253.30			
City of London	Chamber of London, PO Box 270, Guildhall, London EC2P 2EJ	59,465.00			
Computershare Vouchers	The Pavilions, Bridgewater Road, Bristol BS13 8AE	136.65			
Cripps Harnes Hall	Number 22, Mount Ephraim, Tunbridge Wells TN4 8AS Kent	528.00			
Datapipe Inc	PO Box 36477 Newark, NJ 07188-6477 USA	2,862.97			
DGV Solutions	10 Priory Road, Felixstowe IP11 7NE	7,500.00			
Dorf Ventures Ltd	Old House, The Old House Estate, Ardingly Road, West Hoathly, West Sussex, RH19 4RA	84,400.00	Consultancy fees to 2016, treated as director's loan so not in Accounts Payable		
Ench Martino	1c Essendine Road, Malden Vale, London W8 2LS	13,062.50			
Gingerland Limited	93 Constitution Street, Edinburgh EH6 7AE	33,480.00			

Glassdoor Inc	100 Shoreline Highway Mill Valley, California 94941 USA	3,747.42			
Gravitas Recruitment Group	3rd Floor, 6 Bevis Marks London EC3A 7BA	36,780.00			
PAYE		491,289.01			
HMRC VAT		262,128.80	Includes Q2, due 7 August 2018		
Kinney Green LLP	27-32 Old Jewry London EC2R 8DQ	106,087.57	This figure has been netted off in the assets above		
LDF FINANCE No 2 Ltd	Dee House, Lakeside Business Village, St David's Park, Ewloe, Chwyd, CH5 3XF	27,884.21	Rental agreement relating to furniture & fittings valued at £20,000	23.1.17 (date of agreement)	
Lead Forensics	3000 Lakeside, North Harbour Western Road Portsmouth PO6 3EN	420.00			
Leon	18-20 Southwark Street London SE1 1TJ	1,553.46			
Melfair Ltd	Flat 20, Hermitage House Gerard Road London N1 8AT	6,042.00			
Monarch Shared Services	9th Floor, Temple Point 1 Temple Row Birmingham B2 5GL	22,140.00			
Officedrop	375 Paintworks Bristol BS4 3AR	96.00			
One Pension Consultancy	Sunfield Business Park New Mill Road Finchampstead RG40 4QT	1,200.00			
Osborne Clarke LLP	2 Temple Back East Temple Quay Bristol BS1 6EG	14,437.40			
PEAC (UK) LTD	Circa House, 2a High Street, Bracknell, RG12 1AA	22,835.15	Rental agreement relating to furniture & fittings valued at £20,000	23.1.17 (date of agreement)	
Pluralsight	182 N Union Ave, Suite 200 Farmington UT 84025	1,881.43			
Purple Halo	155 Fenchurch Street London EC3M 8AL	14,700.00			
Robin Price	71 Barrowgate Road London W4 4QS	13,750.00			
Runtech Ltd	3rd Floor, 54-56 Camden Lock Place London NW1 8AF	1,149.32			

Seymour Valentine Ltd	4 Bernondsey Trading Estate Rotherhithe New Road London SE16 3LL	231.83		
Simon Dyson	19 Burlington Road London W4 4BQ	18,938.00		
SKS Business Services Ltd	148 Percy Road Twickenham TW2 6JF	7,440.00		
Solid Brain	ul Krupnicza 16 31-123 Krakow Poland	11,388.30		
Speedster IT	Carlton House, Balls Hill Bishops Stortford CM23 2NN Herts	625.20		
TechQuarfers	Riverside House, 27-29 Vauxhall Grove London SW8 1SY	3,022.50		
Tenon FM Limited	2nd Floor, 1 Farriers Yard 77-85 Fulham Palace Road London W6 8AH	916.55		
Testhouse Ltd	8 Lanark Square Glengall Bridge London E14 9RE	37,020.00		
Testing Circle	4 Cophall Avenue London EC2R 7DA	11,616.00		
TotalJobs Group Ltd	Blue Fin, 110 Southwark Street London SE1 0TA	2,640.00		
Viaslak Ltd supplier acc	SEE RUNTECH	1,070.12		
Wilkins Kennedy	Bridge House, London Bridge London SE1 9QR	4,616.20		
Willis Towers Watson	Watson House, London Road Reigate RH2 9PQ	4,069.85		
Worlds End Couriers	8 Sullivan Enterprise Centre Sullivan Road London SW6 3DJ	166.78		
	Staff Travel Expenses	2,334.48		

Signature Mark Spelman

Date 9/8/18

EMPLOYEE CREDITORS

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

Name of employee creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Robert Rinaldo		56,900	N/A Bonus as set out in communication dated 21 October 2016 including 'ER NI'	N/A	N/A
Gerabine Isherwood		18,211.70	N/A - Funds advanced as cashflow requirements Oct 2013 to Apr 2018	N/A	N/A
		11,380	Success related bonus (R&D claim) as set out in communication dated December 2017 including 'ER NI'		
Simon Barnes		39,830	Salary sacrificed in 2012 including 'ER NI'		

Signature Mark Isherwood Date 9/8/18

CONSUMER CREDITORS

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

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £

Signature _____ Date _____

[illegible]

Abel Baker

9/8/18

**CAF Realisations Limited
(formerly Chelsea Apps Factory Limited)**

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Barclays Bank plc Millshaw Court, Global Avenue, Leeds, LS11 8AN	£875,000	Fixed and Floating Charge	4 July 2016	£875,000

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

ESTIMATE OUTCOME STATEMENT

CAF Realisations Limited (formerly Chelsea Apps Factory Limited) - In Administration

Joint Administrators' Estimated Outcome Statement as at 3 September 2018

	Current Realisations	Estimated Future Realisations	Total
	£	£	£
ASSETS			
FIXED CHARGE ASSETS			
Goodwill	208,929.89	0.00	208,929.89
Intellectual Property	1.00	0.00	1.00
	<u>208,930.89</u>	<u>0.00</u>	<u>208,930.89</u>
FIXED CHARGE COSTS			
Joint Administrators' Pre-Appointment Remuneration	0.00	(16,137.65)	(16,137.65)
Joint Administrators' Pre-Appointment Disbursements	0.00	(157.34)	(157.34)
Joint Administrators' Remuneration	0.00	(16,137.65)	(16,137.65)
Joint Administrators' Disbursements	0.00	(868.04)	(868.04)
Solicitor's Costs	0.00	(24,317.44)	(24,317.44)
Agent's Costs	0.00	(8,164.64)	(8,164.64)
	<u>0.00</u>	<u>(65,782.77)</u>	<u>(65,782.77)</u>
AVAILABLE TO FIXED CHARGE-HOLDER			143,148.12
Less: Fixed Charge Creditor - Barclays Bank plc			(875,000.00)
Shortfall to Fixed Charge Creditor			<u>(731,851.88)</u>
FLOATING CHARGE ASSETS			
Plant & Machinery	50,000.00	0.00	50,000.00
Work In Progress	1.00	0.00	1.00
Book Debts	1.00	120,000.00	120,001.00
Cash at Bank	1,572.37	0.00	1,572.37
Customer Contracts	1.00	0.00	1.00
Business Records	1.00	0.00	1.00
IT Equipment	1.00	0.00	1.00
Contributions for Rent/Service Charge	41,697.07	0.00	41,697.07
Bank Interest Gross	10.58	Uncertain	10.58
	<u>93,285.02</u>	<u>120,000.00</u>	<u>213,285.02</u>
FLOATING COSTS			
Joint Administrators' Pre-Appointment Remuneration	0.00	(3,862.35)	(3,862.35)
Joint Administrators' Pre-Appointment Disbursements	0.00	(37.66)	(37.66)
Joint Administrators' Remuneration	0.00	(3,862.35)	(3,862.35)
Joint Administrators' Disbursements	0.00	(207.76)	(207.76)
Solicitor's Costs	0.00	(5,820.07)	(5,820.07)
Agent's Costs	0.00	(1,954.11)	(1,954.11)
Rent Payable	0.00	(41,697.07)	(41,697.07)
	<u>0.00</u>	<u>(57,441.36)</u>	<u>(57,441.36)</u>
LIABILITIES			
PREFERENTIAL CREDITORS: None			<u>0.00</u>
			0.00
NET PROPERTY			155,843.66
Estimated prescribed part of net property where applicable (to carry forward)			(34,168.73)
AVAILABLE TO FLOATING CHARGE-HOLDER			<u>121,674.93</u>
DEBTS SECURED BY FLOATING CHARGES POST 15 SEPTEMBER 2003			
Less: Floating Charge Creditor - Barclays Bank plc			(731,851.88)
Surplus/(Deficiency) to QFC			<u>(610,176.95)</u>
Estimated prescribed part of net property where applicable (brought down)			34,168.73
Available to Ordinary Unsecured Creditors			<u>34,168.73</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors			(512,005.95)
H M Revenue & Customs			(501,266.46)
			<u>(1,013,272.41)</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			<u>(979,103.68)</u>
Shortfall to Floating Charge Holder			(610,176.95)
Estimated deficiency to creditors			<u>(1,589,280.63)</u>
Issued and called up capital			
Ordinary Shareholders			(1,365.00)
TOTAL SURPLUS/(DEFICIENCY)			<u>(1,590,645.63)</u>

SUMMARY OF ESTIMATED RETURN TO CREDITORS

Estimated Dividend to Barclays Bank plc:	30.27 p in the £
Estimated Dividend to Preferential Creditors	N/A p in the £
Estimated Dividend to Unsecured Creditors	3.37 p in the £

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 3 SEPTEMBER
2018**

CAF Realisations Limited
(formerly Chelsea Apps Factory Limited)
(In Administration)

Joint Administrators' Summary of Receipts and Payments
To 4 September 2018

	Statement of Affairs (£)	Total (£)
RECEIPTS		
Goodwill		208,929.89
Business Intellectual Property		1.00
Plant & Equipment		50,000.00
Work In Progress		1.00
Book Debts	88,019.78	1.00
Cash at Bank		1,572.37
Customer Contracts		1.00
Business Records		1.00
Bank Interest Gross		10.58
IT Equipment		1.00
Contributions for Rent/Service Charge		41,697.07
		<hr/> 302,215.91
PAYMENTS		
Statutory Advertising		81.45
		<hr/> 81.45
Net Receipts/(Payments)		<hr/> 302,134.46 <hr/>
MADE UP AS FOLLOWS		
Bank 1 Current		302,118.17
VAT Receivable / (Payable)		16.29
		<hr/> 302,134.46 <hr/>

Notes

- 1 The balance of funds will be held in an interest bearing account at Metro Bank.
- 2 Amounts in the above statement are shown exclusive of VAT unless specifically stated.
- 3 The above statement should be read in conjunction with the Joint Administrators' Proposals dated 4 September 2018.
- 4 The comparative figures above originate from the Directors' Statement of Affairs. This document has not been independently verified by the Joint Administrators.

Andrew Hosking and Simon Bonney
Joint Administrators
4 September 2018

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR QUANTUMA LLP

Time Entry - SIP9 Time & Cost Summary

6003127 - CAF Realisations Limited formerly Chelsea Apps Factory Limited
Project Code: PRE
To: 12/07/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	17.25	2.00	3.40	0.50	23.15	10,008.25	432.32
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	6.60	0.00	0.00	6.60	1,848.00	280.00
Investigations	11.50	0.00	0.00	0.00	11.50	4,600.00	400.00
Pre Appointment	0.00	2.50	0.20	1.80	4.50	922.00	204.89
Realisation of Assets	2.50	25.60	7.60	0.00	35.70	10,843.50	303.74
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	31.25	36.70	11.20	2.30	81.45	28,221.75	346.49
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

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



Schedule of Current Charge Out Rates and Chargeable Disbursements

Staff Allocation & Support Staff

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

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

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

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

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

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

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

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

Subcontractors

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



Direct Expenses (Category 1 Disbursements)

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

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

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

Indirect Expenses (Category 2 Disbursements)

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

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

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

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

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

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



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

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

Professional Advisors

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

VAT

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

Creditors' Rights

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



Historic Charge Out Rates

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

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



Historic Disbursement Charging Rates

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

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

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

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

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

**BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 12 JULY 2018 TO
3 SEPTEMBER 2018**

Time Entry - SIP9 Time & Cost Summary

6003127 - CAF Realisations Limited formerly Chelsea Apps Factory Limited
Project Code: POST
From: 12/07/2018 To: 03/09/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.35	4.40	8.90	1.50	16.15	4,312.25	267.01
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.90	1.40	2.30	404.50	175.87
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	11.40	2.80	0.00	14.20	3,906.00	275.07
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	6.20	2.60	0.00	8.80	2,399.00	272.61
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.35	22.00	15.20	2.90	41.45	11,021.75	265.90
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL

a) Full description of work to be undertaken.

Please note that this list reflects the work anticipated to be incurred for the full period of the Administration.

General Description	Includes
Administration (including statutory reporting)	
Statutory/advertising	Filing of documents to meet statutory requirements; Advertising in accordance with statutory requirements.
Document maintenance/file review/checklist	Filing of documents; Periodic file reviews; Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards; Maintenance of statutory and case progression task lists/diaries; Updating checklists.
Bank account administration	Preparing correspondence opening and closing accounts; Requesting bank statements; Bank account reconciliations; Correspondence with bank regarding specific transfers ; Maintenance of the estate cash book; Banking remittances and issuing cheques/BACS payments.
Planning / review	Discussions regarding strategies to be pursued; Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case.
Books and records / storage	Dealing with records in storage; Sending case files to storage.
Creditor reports	Disclosure following pre-pack sale of assets SIP 16 & 13; Preparing proposal, six monthly progress reports, fee authority report to secured creditors (where appropriate) and final report; Seeking extension via creditors (where appropriate); Reporting to secured creditor appointor; Proposing further fee approval (where the fees estimate is not for the administration of the case to conclusion).
Investigations	
SIP 2 Review	Collection, and making an inventory, of company books and records; Correspondence to request information on the company's dealings, making further enquiries of third parties; Reviewing questionnaires submitted by creditors and directors; Reconstruction of financial affairs of the company; Reviewing company's books and records; Preparation of deficiency statement; Review of specific transactions and liaising with directors regarding certain transactions;

General Description	Includes
	Liaising with the committee/creditors or major creditors about further action to be taken.
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports; Liaising with the Insolvency Service ; Submission of report to the Insolvency Service; Preparation and submission of supplementary report (if required); Assisting the Insolvency Service with its investigations.
Examinations	Preparing brief to solicitor; Liaising with solicitor(s) regarding examinations; Attendance at examination; Reviewing examination transcripts; Liaising with solicitor(s) regarding outcome of examinations and further actions available.
Litigation / Recoveries	Strategy meeting regarding litigation; Seeking funding from creditors; Reviewing terms of solicitors' conditional fee agreements; Preparing brief to solicitors/Counsel; Liaising with solicitors regarding recovery actions; Dealing with ATE insurers; Attending to negotiations; Attending to settlement matters.
Realisation of Assets	
Freehold/Leasehold Property	Liaising with secured creditors and landlords; Agreeing assignment or surrender.
Debtors and retentions	Liaising with purchaser and solicitors; Dealing with disputes, including communicating with directors/former staff.
Leasing	Reviewing leasing documents; Liaising with agents and owners/lessors.
Insurance	Reviewing insurance policies.
Creditors (claims and distribution)	
Creditor communication	Receive and follow up creditor enquiries via telephone; Review and prepare correspondence to creditors and their representatives via facsimile, email and post; Corresponding with the PPF and the Pensions Regulator.
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend; Corresponding with RPO regarding POD when not related to a dividend.
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD; Receipt of POD; Adjudicating POD; Request further information from claimants regarding POD; Preparation of correspondence to claimant advising outcome of adjudication; Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims.

General Description	Includes
Distribution procedures	Agreeing allocation of realisations and costs between fixed and floating charges; Paying distribution to secured creditors and seeking confirmation of discharged claims; Preparation of correspondence to creditors advising of intention to declare distribution; Advertisement of notice of intended distribution; Preparation of distribution calculation; Preparation of correspondence to creditors announcing declaration of distribution; Preparation of cheques/BACS to pay distribution; Preparation of correspondence to creditors enclosing payment of distribution; Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC; Dealing with unclaimed dividends.

b) The Joint Administrators' Expenses Estimate

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

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

Expenses Category 1	Basis	Estimate of total £
Legal costs: Pinsent Masons LLP will be instructed to provide advice in respect of validity of security and may be instructed to assist in other areas of the Administration.	Time-costs	5,000.00
Statutory Advertising		325.80
Statutory Bonding		135.00
Document collection and storage		300.00
Postage		100.00
Total		5,860.80

Expenses Category 2	Basis	Estimate of total £
Stationery	As per Quantuma's disbursement policy at Appendix II	100.00
Photocopying	As per Quantuma's disbursement policy at Appendix II	100.00

Expenses Category 2	Basis	Estimate of total £
Anti Money Laundering Identification Search	One off cost per case	15.00
Total		215.00

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

**CAF REALISATIONS LIMITED
(FORMERLY CHELSEA APPS FACTORY LIMITED)
(IN ADMINISTRATION)**

PROOF OF DEBT

PROOF OF DEBT - GENERAL FORM

Chelsea Apps Factory Limited (In Administration)

Date of Administration: 12 July 2018

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

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Tom Maker
Company name	Quantuma LLP
Address	High Holborn House 52-54 High Holborn
Post town	London
County/Region	
Postcode	W C 1 V 6 R L
Country	
DX	
Telephone	020 3856 6720



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