



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 3 3 6 4 0 0

Company name in full Account Technologies Software Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Clare

Surname Kennedy

### 3 Administrator's address

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Joseph

Surname O'Connor

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F



Country United Kingdom

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>																
From date	d	0	d	9	m	0	m	7	y	2	y	0	y	2	y	3	
To date	d	0	d	8	m	0	m	1	y	2	y	0	y	2	y	4	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
<b>8</b>	<b>Sign and date</b>																
Administrator's signature	Signature 																
Signature date	d	0	d	8	m	0	m	2	y	2	y	0	y	2	y	4	

**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 Chris Robb

Company name AlixPartners UK LLP

Address 8th Floor

Ship Canal House

98 King Street

Post town Mnanchester

County/Region

Postcode M 2 4 W U

Country United Kingdom

DX

Telephone 0161 838 4500

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

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

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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

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

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Simon  
Surname Appell

## 3 Insolvency practitioner's address

Building name/number 6  
Street New Street Square  
Post town London  
County/Region  
Postcode E C 4 A 3 B F  
Country United Kingdom

# Administrators' Progress Report for the period 9 July 2023 to 8 January 2024

Indigo Michael Limited and  
Account Technologies Software  
Limited – both in Administration

8 February 2024

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AlixPartners  
Ship Canal House  
8th Floor  
98 King Street  
Manchester M2 4WU

t: +44 (0) 161 838 4500 f: +44 (0) 161 838 4501

## 1. Why this report has been prepared

- 1.1 As you will be aware Joseph O'Connor, Clare Kennedy and Simon Appell (the **Administrators**) were appointed on 9 January 2023.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which the company entered into administration and every subsequent period of six months. This progress report covers the period 9 July 2023 to 8 January 2024 (the **Period**) and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.5 As a reminder, the administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
  - Objective 1: rescuing the company as a going concern;
  - Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
  - Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6 In these cases the Administrators are pursuing the third statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 Details of the Administrators' fees and expenses incurred are provided at Appendices D to F.
- 1.8 More information relating to the Administration processes, Administrators' fees and creditors' rights can be found on our creditor portal ([www.ips-docs.com](http://www.ips-docs.com)). Log-in details to access this information can be found within the letter that was sent to you on appointment.
- 1.9 If you require a hard copy of this report or have any queries in relation to its contents, or the Administrations generally, please contact the IML Admin Team by email at [IML@alixpartners.com](mailto:IML@alixpartners.com).

## 2. Summary of information for creditors

### Estimated dividends for creditors

#### IML

Description	Estimated debt £	Likely level of return £
Secured creditors:		
Atalaya (see 2.1)	60,807,381 Note 1	c.£36.25-37.9m
ATHL (see 2.2)	60,807,381 Note 1	Nil
Preferential creditors:		
Employee claims	26,462 Note 2	100 pence in the pound
Unsecured creditors	18,335,519	c.3-4 pence in the pound

#### ATSL

Description	Estimated debt £	Likely level of return £
Secured creditors:		
Atalaya (see 2.1)	60,807,381 Note 1	c.£36.25-37.9m
ATHL (see 2.2)	60,807,381 Note 1	Nil
Preferential creditors:		
Employee claims	13,720 Note 2	100 pence in the pound
Unsecured creditors	5,675,335	Less than 1 pence in the pound

### Notes:

Note 1: The secured debt of £60.8m detailed in the table above relates to the same indebtedness, for which Atalaya is the first ranking charge holder.

Note 2: The amount listed for the preferential creditors is the actual debt and level of return.

#### Secured creditors

- 2.1 The Companies granted an all-monies debenture to Midtown Madison Management LLC (**Midtown**), as collateral agent for Atalaya Capital Management LP (**Atalaya**), dated 15 June 2021 which secured £75 million of senior secured floating rate notes, a proportion of which had been paid down prior to the appointment (the **Midtown Debenture**). The Midtown Debenture has been granted by various entities in the group including IML and ATSL.
- 2.2 The Companies also granted an all-monies debenture to the Companies' sole shareholder, Account Technologies Holdings Limited (**ATHL**), dated 30 April 2021 which secures a revolving intra-group loan facility with a total commitment of up to £100 million (the **ATHL Debenture**). The ATHL Debenture has also been granted by various entities in the group including IML and ATSL.



- 2.3 The Midtown Debenture secures all sums owed by the Companies to Atalaya and the ATHL Debenture secures all sums owed by the Companies to ATHL.
- 2.4 The ATHL Debenture is subordinated to the Midtown Debenture. As such, secured distributions in both Administrations will be made under the Midtown Debenture in priority.
- 2.5 There is expected to be a shortfall under the Midtown Debenture and therefore it is anticipated that there will be no distributions under the ATHL Debenture.

#### Preferential creditors

- 2.6 The preferential debt amounts listed above include amounts due in respect of employee liabilities as at the date of the Administrations. These consist of unpaid wages, holiday pay and pension contributions payable to the employees who were not retained following the Administrators' appointments.
- 2.7 Based on the director's Statements of Affairs, the Companies also owed secondary preferential liabilities due to HM Revenue & Customs (**HMRC**) in respect of unpaid VAT and PAYE contributions. However, these have been subject to crown set off in respect of tax refunds available to the Companies, further details of which are provided at section 3.27. On this basis, HMRC no longer have a secondary preferential claim in either Administration.
- 2.8 On 12 January 2024, the Administrators of the Companies declared a first and final dividend to preferential creditors.
- 2.9 The total funds distributed to preferential creditors in respect of IML was £26,462 and the rate of the dividend was one hundred pence in the pound.
- 2.10 The total funds distributed to preferential creditors in respect of ATSL was £13,720 and the rate of the dividend was one hundred pence in the pound.
- 2.11 Further information is provided in section 4 of this report.

#### Unsecured creditors

- 2.12 At the date of appointment, IML's unsecured creditors were owed approximately £18.3 million and ATSL's unsecured creditors were owed approximately £5.7 million.
- 2.13 Funds are expected to be available to the Companies' unsecured creditors via their respective Unsecured Creditors' Funds (defined in section 4.12). Section 4 of this report sets out the amounts which could be available to unsecured creditors based on present information, which may be subject to change.

#### General

- 2.14 Please also note that funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making distributions.

- 2.15 In respect of preferential or unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.
- 2.16 Further information is provided in section 4 of this report.

### 3. Progress of the Administrations

- 3.1 Attached at Appendices B and C are the Administrators' Receipts and Payments Accounts (**R&P Accounts**) and Trading Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since the date of the appointment. These accounts are prepared on a cash basis, therefore details of expenses incurred but not yet paid are excluded from the accounts and are summarised at Appendix E.
- 3.2 The majority of the Companies' supplies are exempt from VAT and therefore VAT incurred on costs cannot be recovered from HMRC. On this basis, transactions on the R&P Accounts are presented gross of any VAT paid.
- 3.3 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices D and E have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administrations.

#### Trading

##### IML

- 3.4 As previously reported, IML continued to provide lending facilities to certain customers for a period of five months following appointment, to 31 May 2023, during which time credit limits were reduced on a phased basis. New lending of £36.5m was provided in the Administration, of which £27.8m has been repaid to date, plus interest of £10.9m.
- 3.5 Since this date, the collection process has remained ongoing using IML's existing systems and processes via a simplified technological platform, whereby customers can continue to repay their debts, subject to their affordability criteria.
- 3.6 Surplus funds continue to be swept from the pre-appointment bank account on a regular basis, whereupon they are reconciled between the pre and post-appointment debtor books and allocated to the R&P Accounts accordingly.
- 3.7 The Administrators are in the process of completing a managed wind down of the pre-appointment bank accounts now that lending has ceased. Certain accounts remain open to accept customer repayments, which are subsequently swept into the post-appointment account on a regular basis. These accounts will be closed once collections are finalised.
- 3.8 The Administrators continue to review the progress and profitability of the final collect out phase on a regular basis. The Administrators have continued to produce reports for Atalaya as well as internal cash flow updates for consistent monitoring and to ensure that key strategic decisions can be taken in a timely manner.

- 3.9 The strategy implemented by the Administrators to continue the collection of the ledger is expected to enhance realisations into IML's estate. Please refer to Appendix E for further details of the anticipated trading position.
- 3.10 A further update will be provided in the Administrators' next report with regards to the conclusion of the collections process.

### ATSL

- 3.11 As previously reported, ATSL has continued to collect the licence fee from IML throughout the Administration.
- 3.12 Since IML's lending operations ceased in May, the trading support required from ATSL to IML has reduced significantly and a reduced licence fee payment is therefore being paid by IML. This remains sufficient to cover ATSL's ongoing operating costs and includes a commercial margin consistent with the agreement that was in place between ATSL and IML prior to the Administrators' appointments.
- 3.13 The ongoing collection of the licence fee will continue to enhance realisations into ATSL's estate. Please refer to Appendix E for further comments in relation to the anticipated trading position.

### Employees

- 3.14 Following the migration of collections to the simplified platform, all remaining employees were made redundant on 9 August 2023. The Administrators have continued to work alongside their appointed advisors Evolve IS Limited (**Evolve**) to assist affected employees in submitting the necessary claims to the Redundancy Payments Service (**RPS**) for any monies owed to them and deal with any associated queries.
- 3.15 During the period, the Administrators have also continued to liaise with the Companies' payroll agent, Mazars LLP (**Mazars**) in relation to finalising all payroll matters and finalising the position in respect of employee benefits including pension, healthcare and group life insurance. Following the final redundancies on 9 August 2023, the Administrators have notified the respective parties that their services are no longer required.
- 3.16 A small number of former employees have been retained by the Administrators on a sub-contractor basis to assist the Administrators during the collection period. The Administrators are regularly assessing the strategy and will notify the sub-contractors as soon as the timing of the conclusion of the collection phase has been established.

### Customer claims

- 3.17 Since the date of appointment, 1,800 complaints have been received by the Administrators.
- 3.18 These have continued to be assessed on their merits in accordance with IML's existing policies and procedures. Complaints continue to be received and there are currently less than 50 complaints outstanding.

- 3.19 As previously reported, as a result of the Administration, IML is no longer able to make cash payments in respect upheld claims and therefore any redress awarded will rank as an unsecured creditor claim against IML.
- 3.20 As claims are processed and final responses issued, the Administrators have contacted the customers affected to advise them of the outcome in respect of their complaint and set out the options available to them, including how to submit a claim in the Administration.
- 3.21 Customers with claims against IML rank as unsecured creditors, which means that they will rank equally with all other unsecured creditors of IML. Further details in relation to the funds potentially available to unsecured creditors can be found at section 4.
- 3.22 The Administrators have continued to update the 'Frequently Asked Questions' on [www.imladmin.co.uk](http://www.imladmin.co.uk) and respond to the emails received in the dedicated inbox [IML@alixpartners.com](mailto:IML@alixpartners.com).

## **Realisation of assets – fixed charge**

### Intellectual property

- 3.23 ATSL has intellectual property assets in software and supporting code that underpins the lending operations of the business, which has been subject to a valuation and marketing report by Hilco Global (**Hilco**) at the Administrators' request.
- 3.24 The Administrators have considered the most appropriate strategy for realising any value in the software. However due to the nature of the coding framework, which is bespoke to the ATSL business, the Administrators have concluded that it is unlikely that a sale will be achievable and therefore no value is expected to be realised from the ATSL software.

## **Realisation of assets – floating charge**

### Bank interest

- 3.25 During the Period, bank interest of £100,812 and £2,204 has been received in respect of IML and ATSL.

### Tax refunds

- 3.26 During the period, the Administrators submitted a terminal loss relief claim to HMRC in respect of IML, whereby trading losses incurred in the final 12 months of trading were set off against profits made during the previous three years, and a claim submitted for any corporation tax paid.
- 3.27 On 8 December 2023, HMRC confirmed that it had processed the claim and set off its pre-appointment debt against the amount available to IML. On this basis, a tax refund is due to the Administrators and as a result, HMRC no longer has a secondary preferential claim in the Administration of IML. The net tax refund totalling £2.3m was received by the Administrators following the period covered by this report and is therefore not reflected on the R&P Account.

- 3.28 Following the period end, the Administrators submitted ATSL's outstanding pre-appointment VAT returns to HMRC, who have since confirmed a VAT refund is due to the Administrators, against which HMRC's pre-appointment debt has been set off. A VAT refund of £631,445 is due to the Administrators, and as a result, HMRC no longer has a secondary preferential claim in the Administration of ATSL. The Administrators await receipt of the tax refund. Further details will be provided in the Administrators' next progress report.

## **Realisation of assets – debtors**

### **IML**

- 3.29 As detailed above, the main asset of IML is its loan book, and maximising realisation of the same has driven the strategy of the Administration.
- 3.30 IML's gross loan book due from customers totalled £69.0 million on appointment. To date, repayments of £33.9 million have been made by customers against the pre-administration balances.
- 3.31 After a successful five-month lending period, the Administrators consider that the continued collection of the loan book via IML's own systems is the best way to maximise recoveries for creditors.
- 3.32 During the period, the Administrators outsourced certain accounts to Credit Resource Solutions Limited (**CRS**) who provide updates on a monthly basis to the Administrators and the sub-contractors assisting with the debt collection workstream.
- 3.33 As detailed at section 3.5, since the cessation of lending on 31 May 2023, the collection process has remained ongoing using IML's existing systems and processes.
- 3.34 The Administrators will consider next steps in regard to the remaining loan book once the collections workstream has ceased. A further update will be provided in the Administrators' next progress report.

### **ATSL**

- 3.35 ATSL's sole book debt consists of an intercompany receivable owed by IML for unpaid licence fees to use its IP software in the period prior to the Administrators' appointment.
- 3.36 This debt ranks as an unsecured claim in IML's Administration and as such ATSL will be entitled to a dividend from IML in due course.
- 3.37 As previously reported, ATSL's sole customer continues to be IML and on the basis that the IML business is winding down, a sale of the ATSL business will not be possible either.

## **Case administration (including statutory reporting)**

- 3.38 In addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include preparing bi-annual reports to creditors advising of the progress of the Administrations. The Administrators are also responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.
- 3.39 In order to ensure the matters of the Administrations are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.40 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to, for example, protracted realisation of assets meaning additional periodic reports have had to be prepared and distributed to stakeholders.

## **Creditors (claims and distribution)**

- 3.41 During the Period, the Administrators have provided formal updates to Atalaya on a regular basis.
- 3.42 The Administrators have liaised with Evolve to respond to queries in relation to employee entitlements and preferential creditor claims. Time has also been spent finalising the preferential creditor distributions.
- 3.43 Time has been spent dealing with incoming queries from IML customers, seeking further clarification on their position and dealing with ad hoc enquiries.
- 3.44 Customer claims have continued to be uploaded to the Administrators' system as final response letters are issued to customers and emails have been issued to customers inviting them to submit claims on the Administrators' portal.
- 3.45 Any claims received have been downloaded into the Administrators system on a regular basis, however they have not yet been adjudicated for dividend purposes.
- 3.46 Details of the estimated outcome for creditors can be found in section 4.

## **4. Estimated outcome for creditors**

### **Secured creditors**

- 4.1 As detailed in section 2, the Companies have two secured creditors:
- Atalaya (Midtown acting as collateral agent); and
  - The Companies' parent company, ATHL.
- 4.2 Midtown (on behalf of Atalaya) holds the first ranking debenture and confirmed it was owed £60.8 million including accrued interest, as at 24 February 2023.
- 4.3 To date, distributions totalling £31.3 million have been made to Atalaya by IML as shown on the Receipts and Payments Account at Appendix B.
- 4.4 There will be a shortfall under the Midtown Debenture and therefore no distributions will be made under the ATHL Debenture, which is second ranking.

### **Preferential creditors**

- 4.5 There are preferential claims in both IML and ATSL in respect of employees who were not retained following the Administrators' appointments together with various claims from HMRC.
- 4.6 During the period, the Administrators submitted a terminal loss relief claim to HMRC in respect of IML and on 8 December 2023, HMRC confirmed that it had processed the claim and set off its pre-appointment debt against the amount available to IML. On this basis, HMRC no longer has a secondary preferential claim in the Administration of IML.
- 4.7 Following the period end, the Administrators submitted ATSL's outstanding pre-appointment VAT returns to HMRC, who have since confirmed a VAT refund is due to the Administrators, against which HMRC's pre-appointment debt has been set off. On this basis, HMRC no longer has a secondary preferential claim in the Administration of ATSL.
- 4.8 The RPS has submitted their final claim in the Administrations in respect of any amounts paid to employees in respect of their claims for arrears of wages and accrued holiday pay.
- 4.9 On 21 November 2023, the Administrators issued notice of their intention to declare a dividend to the preferential creditors of the Companies, to be paid within two months of the last date for proving, being 14 December 2023.
- 4.10 On 12 January 2024, the Administrators of the Companies declared and paid first and final dividends of one hundred pence in the pound to preferential creditors.
- 4.11 Preferential creditor claims totalled £26,462 in IML and £13,720 in respect of ATSL which were made up of employee arrears of wages, accrued holiday pay and unpaid pension contributions.



## Unsecured Creditors' Fund

- 4.12 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to make a fund from the Companies' net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the '**Prescribed Part**'.
- 4.13 Based on present information, the Administrators estimate the value of the Companies' net floating charge property and the value of the Unsecured Creditors' Funds arising from this are as follows:

Company	Estimated Net Property £'000	Estimated Value of Unsecured Creditors' Fund £'000
IML	33,084	800
ATSL	239	51

## Unsecured creditors

- 4.14 At the date of appointment, IML's unsecured creditors were owed approximately £18.3 million and ATSL's unsecured creditors were owed approximately £5.7 million according to the Companies' records.
- 4.15 The Administrators anticipate that there will be funds available for unsecured creditors in both entities, however they are unable to quantify the rate of any unsecured dividend with any accuracy until the remaining assets are realised and claims have been agreed.
- 4.16 Based on claims being received in line with the Companies' records, a dividend of approximately 3-4 pence in the pound will be available for creditors of IML and less than one pence in the pound for creditors of ATSL.
- 4.17 However, please note that claims received to date are considerably lower than detailed in the Companies' records as many creditors have not yet submitted claims: to date, the Administrators have received unsecured claims totalling £8.5 million in IML and £319,261 in ATSL from trade and expense creditors and customers who have been invited to submit claims. On this basis, the actual dividend rate available could be higher.
- 4.18 Any amounts available will be distributed between the unsecured creditors in each entity at the same time, therefore the Administrators will provide all potential creditors with the opportunity to submit a claim against the Companies, which the Administrators are required to review and adjudicate before unsecured distributions can be made.
- 4.19 The Administrators anticipate that they will be in a position to issue notice of their intention to declare a dividend to unsecured creditors of the Companies within the coming months. Creditors will be notified at this time.

## 5. What happens next

### Creditors' rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

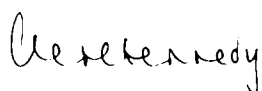
### Extension

- 5.3 The Administrations were due to end automatically on 9 January 2024, however it was not possible to conclude all outstanding matters in the Administrations prior to this date. Therefore, the Administrators sought the approval of the secured and preferential creditors for an extension to the Administration period of six months to 9 July 2024 in accordance with paragraph 76 of schedule B1 of the Insolvency Act 1986. This was approved on 16 November 2023 by the preferential creditors and 21 November 2023 by the secured creditors.

### Next report

- 5.4 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised. For details of the proposed exit routes please see Appendix G.

For and on behalf of  
The Companies



**Clare Kennedy**  
Administrator

Encs

## Appendix A. Statutory information

### IML

Company name	Indigo Michael Limited
Registered number	07721420
Registered office	Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU
Former registered office	2-6 Boundary Row, London, SE1 8HP
Trading address	Marble Arch House, 66-68 Seymour Street, London W1H 5BW
Trading name	Tappily and SafetyNet
Court details	Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference	4917 of 2022

### ATSL

Company name	Account Technologies Software Limited
Registered number	07336400
Registered office	Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU
Former registered office	2-6 Boundary Row, London, SE1 8HP
Trading address	Marble Arch House, 66-68 Seymour Street, London W1H 5BW
Trading name	Account Technologies Software
Court details	Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference	23 of 2023

### Appointor's information

Name	Address	Position
Robert John Ashton	4th Floor, March Arch House, 66 Seymour Street, London, England, W1H 5BT	Director

## Administrators' information

Name	Address	IP number	Name of authorising body
Joseph O'Connor	AlixPartners UK LLP, 6 New Street Square, London, EC4A 3BF	12350	Insolvency Practitioners Association
Simon Appell	AlixPartners UK LLP, 6 New Street Square, London, EC4A 3BF	9305	Insolvency Practitioners Association
Clare Kennedy	AlixPartners UK LLP, 6 New Street Square, London, EC4A 3BF	20590	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

## Extension of the Administration

The Administrations have been extended for a period of six months with the consent of the secured and preferential creditors. The Administrations will now end on or before 9 July 2024.

## Appendix B. Receipts and Payments Accounts for the period 9 July 2023 to 8 January 2024 and Cumulative Accounts for the period since appointment

IML

Statement of Affairs £		Period £	Cumulative £
	<b>Floating charge assets</b>		
	Receipts		
29,319,403	Book debts - pre appointment receipts	5,254,715	33,892,469
7,465,616	Cash at bank	-	7,262,952
	Furniture and equipment	-	87,054
	Motor vehicles	-	35,000
	Rates refunds	3,162	3,162
	Sundry receipts	-	217
	Bank interest	100,812	225,650
	Trading surplus	2,871,180	1,326,628
		<b>8,229,868</b>	<b>42,833,130</b>
	Payments		
	Administrators' fees:		
	General	762,686	2,969,855
	Trading	-	480,122
	Legal fees and expenses	113,628	271,651
	Agent's/valuer's fees	-	20,486
	Employee claim agent's fees	10,272	11,412
	Travel and subsistence	-	238
	Stationery and postage	-	137
	Specific penalty bond	-	270
	Redirection of mail	-	6,852
	Statutory advertising	-	131
	Room hire	-	900
	Telephony	-	2,167
	Sundry expenses	-	74
	Insurance of assets	24,011	24,011
	Ransom payments	-	2,828
	Category 2 expenses:	-	
	Mileage	-	137
	Bank charges	601	1,654
	Sub-contractors	199,739	199,739
	Wages and salaries	747,405	747,405
	Employee expenses	1,299	1,299
	PAYE and National Insurance	387,113	387,113
	Employee benefits	5,676	5,676
	Pension	72,778	72,778
	Payroll agent's fees	34,169	34,169
	Facilities and T&E	151,797	151,797
	IT costs	805,380	805,380
		<b>(3,316,553)</b>	<b>(6,198,282)</b>

Indigo Michael Limited and Account Technologies Software Limited – both in Administration  
(the **Companies**)

Distributions		
Floating chargeholder	4,500,000	31,330,000
	<b>(4,500,000)</b>	<b>(31,330,000)</b>
<b>Total balance</b>	<b>413,315</b>	<b>5,304,848</b>
<b>Represented by</b>		
Interest bearing account		5,304,848
		<b>5,304,848</b>

Note: The above is subject to small rounding differences.

Note: As VAT is not recoverable on this matter, all amounts are detailed gross of VAT.

Note: The payroll and other costs shown as having been incurred during the period relate to amounts reallocated from the Trading Account to better reflect the reason the costs were incurred, as detailed at Appendix E.

## ATSL

Statement of Affairs £		Period £	Cumulative £
	<b>Floating charge assets</b>		
	Receipts		
	Rents	-	27,930
272,444	Cash at bank	-	271,850
	Bank interest	2,204	7,258
	Trading (deficit)/surplus	(11,476)	144,042
		<b>(9,272)</b>	<b>451,081</b>
	Payments		
	Administrators' fees	90,761	391,383
	Legal fees and expenses	15,329	32,326
	Agent's/valuer's fees	-	3,600
	Employee claim agent's fees	2,700	3,294
	Specific penalty bond	-	270
	Statutory advertising	-	131
	Insurance of assets	140	140
	Bank charges	35	81
		<b>(108,965)</b>	<b>(431,225)</b>
	<b>Total balance</b>	<b>(118,237)</b>	<b>19,856</b>
	<b>Represented by</b>		
	Interest bearing account		19,856
			<b>19,856</b>

Note: The above is subject to small rounding differences.

Note: As VAT is not recoverable on this matter, all amounts are detailed gross of VAT.

## Appendix C. Trading Receipts and Payments Accounts for the period 9 July 2023 to 8 January 2024 and Cumulative Accounts for the period since appointment

IML

	Period £	Cumulative £
Post-appointment sales		
Loan repayment - principal	1,364,707	27,827,517
Loan repayment - interest	1,403,242	10,870,226
	<b>2,767,948</b>	<b>38,697,743</b>
Other direct costs		
Sub-contractors	194,548	228,058
Wages and salaries	(437,560)	853,372
Employee expenses	(1,299)	1,483
PAYE and National Insurance	(171,574)	441,998
	<b>415,884</b>	<b>(1,524,911)</b>
Trading expenditure		
Top up for lending	-	33,088,000
Customer refunds	2,102	5,701
Processing fees	163,233	286,791
Intercompany licence fee	200,000	1,068,000
Employee benefits	6,481	6,481
Pension	(42,464)	83,096
Payroll agent's fees	(15,545)	39,013
Facilities and T&E	(60,299)	173,319
IT costs	22,777	919,567
Bank charges	36,367	176,236
	<b>(312,653)</b>	<b>(35,846,204)</b>
<b>Trading surplus</b>	<b>2,871,180</b>	<b>1,326,628</b>

Note: The reduction in amounts shown as being paid during the period in respect of payroll and other costs relates to amounts reallocated from the Trading Account to better reflect the reason the costs were incurred, as detailed at Appendix E.



## ATSL

	Period £	Cumulative £
Post-appointment sales		
Licence fee	200,000	1,068,000
	<b>200,000</b>	<b>1,068,000</b>
Other direct costs		
Sub-contractors	1,665	5,535
Wages and salaries	85,630	391,636
Employee expenses	-	246
PAYE and National Insurance	83,306	295,816
	<b>(170,601)</b>	<b>(693,233)</b>
Trading expenditure		
Pension	7,918	44,833
Payroll agent's fees	4,104	17,307
Employee benefits	2,240	2,240
IT costs	25,544	160,990
Facilities and T&E	1,069	5,297
Bank charges	-	58
	<b>(40,875)</b>	<b>(230,725)</b>
<b>Trading (deficit)/surplus</b>	<b>(11,476)</b>	<b>144,042</b>

## Appendix D. Administrators' fees and pre-administration costs

### Fees

A copy of the R3 creditors' guide on Insolvency Practitioners fees in Administrations can be downloaded from our creditor portal ([www.ips-docs.com](http://www.ips-docs.com)). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation.

To date, net fees totalling £2.87 million have been drawn in respect of IML and fees totalling £326,152 have been drawn in respect of ATSL. Fees will continue to be drawn from asset realisations, and it is anticipated that the amounts provided in the revised fee estimates detailed below will be drawn in full. Please note that all amounts in the Receipts and Payments Account at Appendix B are detailed gross of VAT. However, for the purposes of documenting the fees drawn to date, the Administrators have listed the net amounts.

On 22 March 2023 the secured and preferential creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

### Administrators' revised fee estimate

As detailed in the previous report, the Administrators believed that the time costs incurred to complete the Administrations would likely exceed the fee estimates previously provided, which in turn would result in an increase to the fees that the Administrators seek to draw. This is because the current strategy of migrating to a collect out phase involves continuing collections beyond the original estimated period.

On 31 October 2023, the Administrators gave notice to the Companies' secured and preferential creditors that the original fee estimates provided within the Administrators' Statement of Proposals (the **Proposals**) needed to be revised.

The Administrators therefore sought the approval of each secured creditor and a decision of the preferential creditors to the revision of the Administrators' fee estimates.

Copies of the revised fee estimates are noted below.

## IML

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	3,015	496	1,496,777
Realisation of assets	236	448	105,626
Administration (including statutory reporting)	1,563	496	775,030
Investigations	36	404	14,560
Creditors (claims and distribution)	1,012	427	432,191
Treasury and Tax	208	436	90,708
<b>Total:</b>	<b>6,070</b>	<b>480</b>	<b>2,914,892</b>

## ATSL

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	368	497	182,990
Realisation of assets	29	442	12,804
Administration (including statutory reporting)	189	499	94,280
Investigations	4	450	1,800
Creditors (claims and distribution)	122	427	52,049
Treasury and Tax	25	429	10,727
<b>Total:</b>	<b>737</b>	<b>481</b>	<b>354,650</b>

The revised fee estimates were approved by the preferential creditors on 16 November 2023 and by the secured creditors on 21 November 2023.

## Administrators' details of time spent to date

### IML

The Administrators' time costs in respect of IML for the Period are £601,376. This represents 1,442 hours at an average rate of £417 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	810	398	322,435	1,978,349
Realisation of assets	96	328	31,547	101,372
Case administration (including statutory reporting)	463	466	215,421	1,167,424
Investigations	1	885	443	42,062
Creditors (claims and distribution)	73	435	31,531	59,710
<b>Total:</b>	<b>1,442</b>	<b>417</b>	<b>601,376</b>	<b>3,348,916</b>

### ATSL

The Administrators' time costs in respect of ATSL for the Period are £454,348. This represents 1,085 hours at an average rate of £418 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	592	392	231,671	346,562
Realisation of assets	86	322	27,417	42,539
Case administration (including statutory reporting)	340	469	159,535	313,251
Investigations	1	885	443	14,275
Creditors (claims and distribution)	68	517	35,283	36,670
<b>Total:</b>	<b>1,085</b>	<b>418</b>	<b>454,348</b>	<b>753,296</b>

*NB Cumulative time is the total from the date of the Administrators' appointment to the end date of the Period.*

Details of the progress of the Administrations to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3.

## Appendix E. Expenses of the Administrations

In accordance with Statement of Insolvency Practice 9, expenses are any payments from the estate which are neither an administrator's fee nor a distribution to a creditor or member. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses are payments to persons providing a service who are not an associate of the administrator. Category 1 expenses may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

### Category 1 expenses incurred by third parties

An estimate of category 1 expenses which were anticipated to be incurred by third parties during the course of the Administrations was provided in the Proposals and is set out below.

	IML Anticipated cost £	ATSL Anticipated cost £
Legal costs	480,000	48,000
Agent's fees	24,000	-
Employee claim agent's fees	10,350	2,724
Payroll agent's fees	40,000	20,000
Insurance	3,000	2,000
<b>Total:</b>	<b>557,284</b>	<b>72,724</b>

The above costs are shown inclusive of VAT on the basis that VAT incurred on costs cannot be recovered from HMRC as explained previously.

An analysis of the actual costs paid to third parties to date, together with those incurred but not paid as at the end of the Period is provided below.

### IML

	Paid in prior period £	Paid in the Period £	Incurred but not paid £	Total anticipated cost £
Legal costs	158,023	113,628	8,410	280,061
Agent's fees	20,486	-	-	20,486
Employee claim agent's fees	1,140	10,272	-	11,412
Insurance	-	24,011	850	24,861
<b>Total</b>	<b>179,649</b>	<b>147,911</b>	<b>9,260</b>	<b>336,820</b>

## ATSL

	Paid in prior period £	Paid in the Period £	Incurred but not paid £	Total anticipated cost £
Legal costs	16,996	15,329	531	32,856
Agent's fees	3,600	-	-	3,600
Employee claim agent's fees	594	2,700	-	3,294
Insurance	-	1,069	-	1,069
<b>Total</b>	<b>21,190</b>	<b>14,803</b>	<b>531</b>	<b>40,819</b>

## Category 1 expenses incurred by the Administrators

An estimate of incidental expenses which will be incurred by the Administrators during the course of the Administrations was provided in the Proposals and is set out below. The actual expenses may be found in the Receipts and Payments Accounts at Appendix B.

	IML Anticipated cost £	ATSL Anticipated cost £
Specific penalty bond	250	250
Statutory advertising	170	170
Storage	500	500
Stationery and postage	1,000	500
Re-direction of mail	11,544	-
<b>Total:</b>	<b>13,464</b>	<b>1,420</b>

Note: the costs associated with the re-direction of mail are for a period of six months at the two trading premises; a PO Box address and IML's former registered office.

## Trading position

The Trading Receipts and Payments Accounts at Appendix C show a current trading surplus of £1.33m in IML and £144k in respect of ATSL.

Our previous reports showed a trading deficit in respect of IML as all salary costs had been allocated to the Trading Accounts. However, as advised in the Proposals, the majority of employees were retained to support the general wind down strategy and wider debtor collection process rather than specifically in relation to ongoing lending.

The Administrators have therefore undertaken an analysis of salary costs, as well as certain other costs previously allocated to the Trading Account, and have reallocated a proportion of these to general floating charge costs.

The reallocations were made in line with the proportions realised in respect of the pre-administration loan book, versus post-appointment lending.

## Category 2 expenses

Category 2 expenses are payments to associates of an administrator or which have an element of shared costs and may consist of:

- costs incurred by AlixPartners in respect of several insolvent companies, that are then allocated between those companies; and
- business mileage for staff travel – charged at the rate of 45 pence per mile.

The Administrators require prior approval from the secured and preferential creditors to draw category 2 expenses. The secured and preferential creditors provided their approval to draw category 2 expenses on 22 March 2023.

## **Appendix F. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9**

### **Policy**

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors; and
- professional advisors.

#### Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of one or more members of staff at each of the grades detailed in the charge-out rate schedule overleaf. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on these assignments by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date IML £	Cost to date ATSL £
Employee claim processing	Evolve IS Limited	Rate per employee plus fixed fee	11,412	3,294
Payroll processing	Mazars LLP	Fixed fee per payroll submission	73,182	17,307
Debt collection	Credit Resource Solutions Limited	Commission of between 16-50% of collections, depending on the category of account, plus disbursements	Statement of account awaited from CRS – to be confirmed in next report	Nil



## Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangements with them, which are subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Walker Morris LLP (legal advice)	Hourly rates and disbursements
Macfarlanes LLP (legal advice)	Hourly rates and disbursements
Hilco Global (chattels agent – valuation and disposal)	Fixed fee plus disbursements
Aon Risk Solutions (insurance)	Risk based premium plus fixed fee

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangements with them.

## Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for this assignment effective from 1 January 2024 is detailed below, together with the rates charged prior to that date. Time is charged by the appointees and case staff in units of six minutes.

Description	Rates from 1 January 2024 £	Rates pre 1 January 2024 £
Partner and Managing Director	950-1,170	920-1,135
Partner	885	875
Director	755-845	740-830
Senior Vice President	550-690	535-670
Vice President	440-545	415-515
Consultant	155-415	145-390
Treasury and support	215-420	205-405

## **Appendix G. Exit routes and discharge from liability**

### **Dissolution of the Companies**

Based on present information, the Administrators think that the Companies have no property which might permit a distribution to their respective unsecured creditors other than by way of the Unsecured Creditors' Funds.

In this situation, the Administrators will therefore file notices, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their respective creditors.

The appointments will end following the registration of the notices by the Registrar of Companies.

### **Compulsory liquidation**

A liquidator of a company has certain powers such as the ability to disclaim onerous contracts or assets that are not available to an administrator. If such powers become necessary, the Administrators may make an application to court to end the Administrations and request that the court places the Companies into compulsory liquidation. The Administrators will send notice of any such application to the Companies and its creditors.

### **Discharge from liability**

The secured and preferential creditors of ATSL approved on 22 March 2023 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.

The Administrators are seeking approval for their discharge from liability from the secured and preferential creditors of IML. The secured creditors have already provided their approval and consent is being sought from preferential creditors via a deemed consent procedure.