

AM10

Notice of administrator's progress report

FRIDAY



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A17

23/06/2017

#230

COMPANIES HOUSE

1 Company details

Company number 0 8 7 0 6 2 9 9

Company name in full CMO Bidco Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Catherine

Surname Williamson

3 Administrator's address

Building name/number The Zenith Building

Street 26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country

4 Administrator's name ①

Full forename(s) Peter

Surname Saville

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

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 2 d 1	m 1 m 2	y 2 y 0 y 1 y 6	
To date	d 2 d 0	m 0 m 6	y 2 y 0 y 1 y 7	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
--	--

8 Sign and date

Administrator's signature	Signature X <i>Amere</i> X	
Signature date	d 2 d 3	m 0 m 6 y 2 y 0 y 1 y 7

AM10

Notice of administrator's progress report



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 Jenna Carr

Company name AlixPartners

Address The Zenith Building

26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country

DX

Telephone



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 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

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
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Kevin

Surname Coates

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

Administrators' Progress Report for the period 21 December 2016 to 20 June 2017

CMO Bidco Limited,
CMO Global Limited and
CMO Software Limited
All in Administration

23 June 2017

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1. Why this report has been prepared

- 1.1 As you will be aware Catherine Williamson, Peter Saville and Kevin Coates (the **Administrators**) were appointed on 21 June 2016.
- 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 a company entered into administration and every subsequent period of six months. This progress report covers the period 21 December 2016 to 20 June 2017 (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 Rules (England and Wales) 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 an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
 - Objective 1: rescuing a company as a going concern;
 - Objective 2: achieving a better result for a company's creditors as a whole than would be likely if a 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 pursued the second 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 disbursements incurred are detailed at Appendices C and D.
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administrations generally, please contact Conor Kelly on 0161 838 4518, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary of information for creditors

Estimated dividend for creditors

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor	25.22 million	7.63 million
Unsecured creditors:		
Bidco	30.55 million	Nil
Global	4.65 million	4 pence in the pound
Software	29.50 million	Nil

Notes:

Secured creditor

The estimated sum due to Inflexion Private Equity Partners LLP (**Inflexion**) has been taken from the demand letter served on the Companies dated 16 June 2016. Please note that this letter details a total debt of USD 36.98 million which has been converted at the exchange rate prevailing on the date of the appointment of the Administrators.

The secured debt is cross-guaranteed against all three of the Companies and the return noted above is the total estimated return from all three Administrations.

Unsecured creditors

The estimated debts have been taken from the directors' Statements of Affairs (**SoA**). Only Global will be in a position to make a distribution to its unsecured creditors and funds available for distribution and the dividend rate are stated before taking into account the estimated costs of making the distribution. Please note that the likely levels of returns are based upon estimates and are subject to change.

All unsecured creditors of Global are therefore invited to submit a claim using the Proof of Debt form available on the creditor portal, if they have not already done so. Claim forms should be returned to AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB no later than 20 July 2017 or by email to **creditorreports@alixpartners.com**. Please ensure sufficient documentary evidence to support the sum claimed is also provided. Failure to provide such evidence within the specified timeframe may result in your claim being excluded from the dividend distribution.

In respect of 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 the unsecured creditors, regardless of the size of their claims.

For further information please refer to section 4 of this report.

3. Progress of the Administrations

- 3.1 Attached at Appendix B are the Administrators' Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since appointment. All costs incurred during the Period have been discharged.

Objective

- 3.2 As detailed in section 1.6, the Administrators have pursued the second statutory objective. This has been achieved following the pre-packaged sale of the Companies' business and assets which completed on 21 June 2016, immediately after the Administrators' appointments. Realisations from the sale totalled £7.68 million and are reflected in the Receipts and Payments Accounts at Appendix B. Further details of the sale were provided in the Administrators' previous reports, and are therefore not repeated in this report. Copies of these documents are available to download from the creditors' portal, as detailed at section 1.8.
- 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 at Appendix C 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.
- 3.4 A number of assets were excluded from the sale and an update on the realisation of these is provided below.

Realisation of assets

VAT refund

- 3.5 The final pre-appointment VAT return of Global detailed a repayment due from HM Revenue & Customs (**HMRC**) totalling £134,053. This was repaid in full on 22 December 2016.

Sundry realisations

- 3.6 Bank interest totalling £960 has been received during the Period by the Companies.

Outstanding matters

Tax retention – Global and Software

- 3.7 As a reminder, in addition to the sales consideration detailed in section 3.2, an amount of USD 350,000 is being held in an escrow account in relation to specific tax liabilities that may crystallise in the 12 month period post completion of the pre-packaged sale. If the purchaser receives a tax assessment in respect of these specific tax liabilities relating to this Period, an amount equal to the amount due under the tax assessment will be paid from the retention account to the purchaser to settle the tax liability. Any balance held in the tax retention account following the settlement of any liabilities will be paid to Global and Software only. As this amount or any part thereof is not yet available to these entities, it is not reflected on the Receipts and Payments Accounts at Appendix B.
- 3.8 The 12 month period has now ended and the Administrators are therefore liaising with the purchaser and HM Revenue & Customs (**HMRC**) to obtain confirmation as to whether any sums are due in respect of the tax liabilities for the Period. A further update will be provided in the next report.

Other matters - Bidco

- 3.9 All assets of Bidco have been realised; however, there are a number of administrative tasks to complete and a significant post-appointment VAT refund to recover from HMRC prior to the closure of the case. It is anticipated that all tasks will be completed on this case within the next six weeks and the Administrators will then proceed to bring the case to closure. A final report will be issued to creditors in due course.

Administration (including statutory reporting)

- 3.10 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 Administration, 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.
- 3.11 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.
- 3.12 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, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3.13 Details of the estimated outcome for creditors can be found in section 4.
- 3.14 During the Period, time has been spent dealing with creditor correspondence and claims, as well as reporting to the secured creditor and processing a further distribution.
- 3.15 There will be no funds available to the unsecured creditors of Bidco or Software.
- 3.16 There are sufficient funds to enable a dividend distribution to the creditors of Global and these creditors are therefore invited to submit their claims to the Administrators. Details of the procedure for doing this can be found in section 2, together with the estimated dividend rate.

4. Estimated outcome for creditors

Secured creditor – Inflexion Private Equity Partners LLP

- 4.1 The Companies granted fixed and floating charges to Inflexion on 23 October 2013. At the date of appointment Inflexion was owed £25.22 million (excluding interest and charges) under its security. To date, distributions totalling £6.8 million have been paid to Inflexion and it is estimated that the total return will be approximately £7.63 million. Inflexion will therefore suffer a shortfall on its lending.

Preferential creditors

- 4.2 Bidco and Software had no employees therefore no preferential claims will arise. All employees of Global have transferred to the purchaser and there will be no preferential claims against this company.

Unsecured Creditors' Fund

- 4.3 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.

CMO Bidco Limited and CMO Software Limited

- 4.4 Based on present information, the Administrators estimate the value of the net floating charge property for each company to be nil, the value of the Unsecured Creditors' Funds will therefore also be nil.

CMO Global Limited

- 4.5 Based on present information, the Administrators estimate the value of the net floating charge property for Global to be £853,000. Arising from this the value of the Unsecured Creditors' Fund is estimated to be £173,600.
- 4.6 Based on the SoA, unsecured creditors are estimated to be approximately £4.65 million, which would result in a dividend rate of four pence in the pound before costs of the distribution. This dividend rate is subject to change and will be confirmed once all claims have been agreed.

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 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.

Next report

- 5.3 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 route please see Appendix E.

For and on behalf of
The Companies



Catherine Williamson
Administrator

Encs

Appendix A. Statutory information

Company information

Company name	CMO Bidco Limited	CMO Global Limited	CMO Software Limited
Trading name	CMO Bidco Limited	CMO Global Limited	CMO Software Limited
Registered number	08706299	04335488	08723448
Court details	High Court of Justice, Chancery Division, Companies Court, The Strand, London		
Court reference	3362 of 2016	3361 of 2016	3364 of 2016
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB		
Former registered office	Level 25 Mill Bank Tower, 21-24 Millbank, London, SW1P 4QP		
Trading address	Level 25 Mill Bank Tower, 21-24 Millbank, London, SW1P 4QP		

Appointor's information

Name	Address	Position
Jon Andrew James Darragh Remi Jean-Luc Gerard Stephen Humphris	c/o The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	Directors

Administrators' information

Name	Address	IP number	Name of authorising body
Peter Mark Saville	c/o AlixPartners, 6 New Street Square, London, EC4A 3BF	9029	Insolvency Practitioners Association
Kevin James Coates	c/o AlixPartners, 6 New Street Square, London, EC4A 3BF	9261	Insolvency Practitioners Association
Catherine Mary Williamson	c/o AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	15570	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 Administrations

Global and Software

As the Administrators were aware that the tax retention funds detailed in section 3.7 would not be released prior to the anniversary of the appointments, the Administrations of these companies have been extended for a period of 12 months with the consent of the secured creditor to enable sufficient time to deal with this matter. The Administrations will now end on or before 20 June 2018.

Bidco

The Administration has been extended for a period of six months with the consent of the secured creditor to enable the final administrative matters to be concluded. The Administration will now end on or before 20 December 2017.

Please note that in all cases it is anticipated that the Administrations will come to an end earlier than the extended timeframes detailed here and the Administrators are working to conclude matters as quickly as possible.

Appendix B. Receipts and Payments Accounts for the period 21 December 2016 to 20 June 2017 and Cumulative Accounts for the period since appointment

CMO Bidco Limited

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
Bank interest	363	363
4,716,226 Intellectual property	-	4,716,226
	363	4,716,589
Payments		
Pre-appointment fees:		
Administrators' fees	-	100,000
Legal fees	-	246,168
Legal disbursements	-	11,733
Administrators' fees	34,200	34,200
Legal fees and disbursements	4,816	30,924
Bank charges	-	43
	(39,016)	(423,068)
Distributions		
Fixed chargeholder	442,498	4,124,745
	(442,498)	(4,124,745)
Balance of fixed charge assets	(481,151)	168,776
Floating charge assets		
Receipts		
30,072 Furniture and fittings	-	3,541
Office equipment	-	4,676
Bank interest	12	12
22,248 Cash at bank	-	22,336
	12	30,565
Payments		
Administrators' fees	24,300	24,300
Category 1 disbursements:		
Specific penalty bond	225	225
Telephone	19	19
Legal fees and disbursements	-	2,011
Bank charges	-	157
	(24,544)	(26,712)
Balance of floating charge assets	(24,532)	3,853
Total balance		172,629
Represented by		
Interest bearing accounts		83,118
VAT receivable		89,511
		172,629

CMO Global Limited

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
1 Customer list	-	1
1 Intellectual property	-	1
1 Goodwill	-	1
	-	3
Payments		
Bank charges	3	3
	(3)	(3)
Balance of fixed charge assets	-	-
Floating charge assets		
Funding for employee bonus retention	-	147,579
Office equipment	-	10,172
VAT refund	134,053	134,053
1 Book debts	-	1
749,923 Cash at bank	-	813,818
Bank interest	151	178
Sundry realisations	-	10,073
Funds from the Purchaser for payroll	-	255,372
	134,204	1,371,246
Payments		
Employee bonus retention	-	147,579
Administrators' fees	96,000	96,000
Category 1 disbursements:		
Specific penalty bond	225	225
Statutory advertising	-	169
Stationery and postage	292	563
Telephone	21	21
Legal fees and disbursements	5,479	5,675
Payment on behalf of the Purchaser - payroll	-	255,372
Consultant fee	250	871
Bank charges	-	1,379
	(102,267)	(507,854)
Distributions		
Floating chargeholder	-	602,245
	-	(602,245)
Balance of floating charge assets	31,937	261,147
Total balance		261,147
Represented by		
Interest bearing account		240,759
VAT receivable		20,388
		261,147

CMO Software Limited

Statement of Affairs £		Period £	Cumulative £
	Fixed charge assets		
	Receipts		
1	CMO US shares	-	1
1	Other shares	-	1
	Bank interest	419	419
2,947,141	Intellectual property	-	2,947,141
		419	2,947,562
	Payments		
	Pre-appointment fees:		
	Administrators' fees	-	50,000
	Legal fees	-	153,832
	Legal disbursements	-	7,330
	Administrators' fees	43,700	43,700
	Legal fees and disbursements	-	28,900
	Bank charges	-	16
		(43,700)	(283,778)
	Distributions		
	Fixed chargeholder	-	2,076,439
		-	(2,076,439)
	Balance of fixed charge assets	(43,281)	587,345
	Floating charge assets		
	Receipts		
5,830	Cash at bank	-	23,201
	Bank interest	15	15
		15	23,216
	Payments		
	Administrators' fees	21,300	21,300
	Category 1 disbursements:		
	Specific penalty bond	225	225
	Stationery and postage	60	60
	Telephone	5	5
	Bank charges	-	138
		(21,590)	(21,728)
	Balance of floating charge assets	(21,575)	1,488
	Total balance		588,833
	Represented by		
	Interest bearing accounts		527,762
	VAT receivable		61,071
			588,833

Appendix C. Administrators' fees and disbursements

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.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. On 15 July 2016 the secured creditor approved that the basis of the Administrators' fees be fixed as a set amount totalling £150,000. On 3 April 2017 the secured creditor approved an uplift in the fees to £220,000. This has been split as follows and has been drawn in full, as detailed on the Receipts and Payments Accounts at Appendix B.

<i>Company</i>	<i>Original fixed fee £</i>	<i>Revised fixed fee £</i>
Bidco	40,000	58,500
Global	70,000	96,000
Software	40,000	65,500
Total	150,000	220,000

Administrators' disbursements

Category 1 disbursements of £1,512 have been drawn on account. Approval to draw category 2 disbursements has been given by the secured creditor although none have been drawn to date.

Appendix D. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

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

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 a managing director, a vice president, an associate and an analyst. 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 service has been provided to Global by an external sub-contractor.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Payroll processing and tax advice	Consultant – Ms Morina	Fixed fee	871

Professional advisors

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

Name of professional advisor	Basis of fee arrangement
Latham & Watkins LLP (legal advice)	Hourly rate and disbursements

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 arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Appendix E. Exit route and discharge from liability

Dissolution of the Companies

The Companies have no property to permit a distribution to their unsecured creditors, other than by way of the Unsecured Creditors' Fund in the case of Global only. The Administrators will therefore file a 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 creditors. The appointments will end following the registration of the notices by the Registrar of Companies

Discharge from liability

The secured creditor approved on 15 July 2016 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointments as Administrators cease to have effect.