

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company CMO Software Limited	Company number 08723448
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 3364 of 2016

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
P M Saville
AlixPartners
6 New Street Square
London
EC4A 3BF

K J Coates
AlixPartners
6 New Street Square
London
EC4A 3BF

C M Williamson
AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

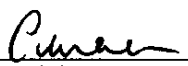
*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 28 June 2016

Signed


Joint Administrator

Dated

28/6/2016

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be

Jessica Geddes
AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

DX Number

+44 (0) 161 838 4500
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



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A24 29/06/2016 #163
COMPANIES HOUSE

WEDNESDAY

Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

28 June 2016

Our ref 12198-003/ADM409/2204
Your ref 08723448

When telephoning please ask for
Jessica Geddes

Direct line
+44 (0) 0161 838 4502

Dear Sirs

CMO Software Limited - in Administration (the Company)
Company Number - 08723448

Please find enclosed the following documents for filing

- Statement of Administrators' proposals - Form 2 17B
- A copy of the proposals including the SIP 16 disclosure

I should be grateful if you would stamp the enclosed copy letter to confirm receipt, and return it to me in the prepaid envelope also provided

Yours faithfully
For and on behalf of
CMO Software Limited



Jessica Geddes
For Catherine Williamson
Administrator

Encs

P M Saville K J Coates and C M Williamson were appointed Administrators of the Company P M Saville K J Coates and C M Williamson are licensed in the UK by the Insolvency Practitioners Association
The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company without personal liability

Administrators' Statement of Proposals

CMO Bidco Limited, CMO Global Limited
and CMO Software Limited
In Administration

28 June 2016

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AlixPartners
The Zenith Building
26 Spring Gardens
Manchester M2 1AB

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 Peter Saville, Kevin Coates and Catherine Williamson (the **Administrators**) were appointed Administrators of CMO Bidco Limited (**Bidco**), CMO Global Limited (**Global**) and CMO Software Limited (**Software**) on 21 June 2016
- 1.2 In accordance with UK insolvency legislation, administrators are required to make a statement setting out their proposals for achieving the statutory purpose of an administration. This report and all appendices form the Administrators' proposals and covers the period 21 June 2016 to 28 June 2016 (the **Period**)
- 1.3 The purpose of this report is to provide statutory and financial information about the Companies, the background to the Administrations, the Administrators' proposed strategy, details regarding the Administrators' fees and the expected outcome for each class of creditor
- 1.4 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
- 1.5 In these cases the Administrators are pursuing the second statutory objective. Further details of how they intend to achieve that objective can be found in section 4 of this report
- 1.6 The Companies' creditors are responsible for approving the Administrators' proposals and fees. In these cases it is proposed that the basis of the Administrators' fees, category 2 disbursements and pre-administration fees will be approved by the secured creditor. Further details of the Administrators' fees and disbursements can be found at Appendices D and E
- 1.7 The Administrators do not intend to convene an initial meeting of creditors. However, creditors can request for a meeting to be held and further details on this matter can be found in section 8 of this report
- 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 Administration generally, please contact Sean Ronald on 0161 868 4507, 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 (pence/£)
Secured creditor	19,444,444	7,580,000
Preferential creditors	-	-
Unsecured creditors		
CMO Bidco Limited	21,672	-
CMO Global Limited	767,700	19 pence/£
CMO Software Limited	-	-

Notes:

The estimated debt has been taken from the Companies' records which have been provided to 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

Bidco and Software did not employ any employees therefore no preferential claims will be received. All of Global's employees were transferred to the purchaser so no preferential claims are anticipated, see section 5.5 for further details

Funds available for distribution and dividend rates are detailed after taking into account the estimated costs of making the distribution. The likely levels of returns are estimated and are subject to change

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

For further information please refer to section 7 of this report

3 Background and circumstances leading to the Administrations

- 3.1 The Companies provided environmental, health and safety software services to a variety of clients in the UK and overseas. In April 2016, the management team had identified a significant funding requirement and subsequently presented a recovery plan to Inflexion Private Equity Partners LLP (**Inflexion**), the senior secured creditor, which suggested that between USD 8 million and USD 12 million was required in order to enable the business to continue trading in the medium to long term. In the short term, management also advised that they would be unable to fund the May 2016 payroll without third party financial support.
- 3.2 The Administrators were introduced to the Companies on 22 April 2016 by Taylor Wessing LLP, legal advisers to Inflexion, following concerns regarding the short term future of the Companies as a result of a failure to achieve financial budgeted targets. Inflexion was keen to understand the long term viability of the Companies' business. The Administrators' work subsequently commenced in May 2016, pursuant to an engagement letter dated 2 May 2016 which was executed by the board of directors of Bidco.
- 3.3 The scope of the work performed prior to the appointment of the Administrators was
- to assess the working capital requirements of the Companies,
 - to review the forecasts and prospects of the Companies,
 - to assist in assessing the options open to the Companies, and
 - to assist with marketing the business and assets of the Companies in order to achieve a going concern sale if possible and to maximise the realisations for the creditors of the Companies.
- 3.4 A sale of the Companies' business and assets was completed on 21 June 2016 to Mitrtech Holdings Inc and two of its 100% owned subsidiaries, Mitrtech (UK) Limited and Mitrtech Global Limited (the **Purchaser**). Further details regarding the sale are provided in section 5. In addition, please note that this report should be read in conjunction with the Administrators' Disclosure Report pursuant to Statement of Insolvency Practice 16 (**SIP16**) – pre-packaged sale of business or assets, dated 28 June 2016.
- 3.5 Should you wish to receive a printed copy of the SIP16 report please contact Sean Ronald on 0161 838 4507, by email to creditorreports@alixpartners.com or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB. Alternatively, a copy can be viewed on AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>), login details will have been provided in the covering letter you received.

4 The objective of the Administrations

- 4.1 The first objective under the Administration regime is based on the survival of the Companies through company voluntary arrangements (CVAs) or scheme of arrangements (Scheme) under part 26 of the Companies Act 2006
- 4.2 Following the pre-appointment assessment of the businesses, the Administrators considered that the first objective could not be achieved. The Companies are not sufficiently cash generative to be able to support any form of payment to enable the continuation of trade. Due to this lack of cash or funding CVAs or Schemes were not feasible.
- 4.3 The Administrators will therefore pursue the second objective of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration). The Administrators will achieve this strategy by completing the steps outlined in section 5.
- 4.4 Full details of the proposed exit routes to the Administrations are noted in Appendix F.

5 The Administration strategies and steps taken to date

- 5.1 It is proposed that the Administrators continue to manage the affairs of the Companies in order to achieve the objective of the Administrations detailed in section 4
- 5.2 In the circumstances it is proposed, having proceeded with a sale of the Companies' business, that the Administrators realise the remaining assets, including cash held in the Companies' pre-appointment bank accounts
- 5.3 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators intend to take the following steps to fulfil their intended objective and duties

Realisation of assets

- 5.4 As detailed in the SIP16 report, the Purchaser paid consideration of £7.7 million in respect of the below assets

Asset description	Bidco £	Global £	Software £
Fixed charge assets			
Intellectual property	4,716,226	1	2,947,141
Customer list	-	1	-
Goodwill	-	1	-
CMO US shares	-	-	1
Other shares	-	-	1
Floating charge assets			
Office equipment	4,676	10,715	-
Furniture and fittings	3,541		-
Book debts	-	1	-
Total	4,724,443	10,179	2,947,143

- 5.5 As part of the sale of business, all employees of Global transferred to the Purchaser via the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Retention account

- 5.6 In addition to the consideration paid on the completion of the sale, additional funds of USD 566,486 are being held in a retention account and will be paid subject to the following conditions
- **Tax retention** an amount of USD 350,000 is being held in relation to specific tax liabilities that may crystallise in the 12 month period post completion. If the Purchaser receives a tax assessment in respect of these specific tax liabilities in 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 at the end of the 12 month period post completion will be paid to the Companies.

- **Employee bonus retention** an amount of USD 216,486 is being held in relation to accrued but unpaid employee bonuses as at the date of completion. If the Purchaser does not pay these bonuses by 30 June 2016 per the terms agreed between the Administrators and the Purchaser, any underpayment against the agreed employee bonus amount of USD 216,486 will be paid to Global. However, if the Purchaser pays the employee bonuses on the agreed terms, the balance held in the retention account will be returned to the Purchaser.

Cash at bank

- 5.7 Funds were held in the Companies' pre-appointment bank accounts and the Administrators have requested these funds to be transferred to the Administration accounts. The balances held the date prior to the appointment totalled USD 32,227 in Bidco, USD 1,105,844 in Global and USD 8,597 in Software. The funds will be received shortly.

Administration (including statutory reporting)

- 5.8 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, notifying the stakeholders of the appointments, preparing bi-annual reports to creditors advising of the progress of the Administrations, and liaising with employees. The Administrators are 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.
- 5.9 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.
- 5.10 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.

Investigations

- 5.11 The Administrators will conduct investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based on the outcome of the investigations, further steps may need to be taken, details of which will be provided in the next report to creditors. The Administrators' duty is to conduct an initial review to determine whether there are matters which require further investigation, and if so, whether there is a realistic prospect of recovering assets for the insolvent estate for the benefit of creditors.
- 5.12 The Administrators also have a duty to consider the conduct of those who have been directors of the Companies at any time during the last three years, and to file a document with the Department for Business, Innovation and Skills (BIS) stating whether they believe there are matters which might be considered unfit conduct. BIS will then assess whether such matters are sufficiently serious to take action against the directors to prevent them from controlling other companies. The Administrators' reports to BIS are confidential and their content is not available to creditors.

- 5 13 A questionnaire is available on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) for completion by creditors to assist the Administrators in their investigations. If there are matters that you consider the Administrators should be aware of please attach details to the questionnaire and return it to AlixPartners' offices at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB. This request forms part of the Administrators' statutory duties and does not imply any criticism of the directors.

Creditors (claims and distribution)

- 5 14 The Administrators will provide reports to the secured creditor and deal with unsecured creditor correspondence, telephone calls and email queries. Should sufficient funds be available, they will also agree the claims of unsecured creditors, calculate the dividend and make a distribution.
- 5 15 There will be insufficient funds to enable a distribution to the creditors of Bidco and Software.
- 5 16 Funds will become available to the creditors of Global. According to the Global's records, there are approximately 50 creditors which the Administrators will write to and request claims to be submitted.

6 Financial position and Administrators' receipts and payments

Financial position

- 6.1 The estimated financial positions (**EFPs**) of the Companies, together with a list of creditors' names, addresses and details of their claims are attached at Appendix B
- 6.2 The Administrators have the following observations to make in relation to the EFPs of the Companies
- As detailed in section 5.6, there may be additional consideration received. As the position on this is not certain, the amounts have not been included in the EFPs
 - The cash at bank realisations are based on exchange rates as at 21 June 2016. The actual receipts may differ from the amounts noted due to currency fluctuation
 - As is normal, the EFPs are before provision for the costs of the Administration
 - The Administrators do not anticipate sufficient funds becoming available for the unsecured creditors of Bidco or Software once costs have been settled

Administrators' Receipts and Payments Account

- 6.3 Summaries of receipts and payments for each of the Companies are attached at Appendix C which detail the sale consideration received
- 6.4 The cash held in the pre-appointment bank accounts is yet to be received

7 Estimated outcome for creditors

Secured creditor – Inflexion Private Equity Partners LLP

- 7.1 The Companies granted fixed and floating charges to Inflexion on 23 October 2013. At the date of appointment Inflexion was owed £19.4 million (excluding accrued interest and charges) under its security. It is estimated that approximately £7.6 million will become available to Inflexion from the Companies and Inflexion will therefore suffer a shortfall on its lending.

Preferential creditors

- 7.2 Bidco and Software had no employees therefore no preferential claims will arise. All employees of Global were transferred to the purchaser therefore there will be no preferential claims.

Unsecured creditors

- 7.3 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 Companies'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

- 7.4 Based on present information, the Administrators estimate that there will be no floating charge surplus after costs. On this basis, the value of Bidco and Software's net floating charge property is estimated to be nil and the value of each of their Unsecured Creditors' Fund is also nil.
- 7.5 Creditors of Bidco and Software are not invited at this stage to submit their claims, however, should they wish to do so claims will be held on file. As there is no prospect of paying a dividend to unsecured creditors, funds are not available to acknowledge receipt of claims submitted.

CMO Global Limited

- 7.6 Based on present information, the Administrators estimate the value of Global's net floating charge property to be £723,098. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £147,620.
- 7.7 The likely level of return for unsecured creditors can be found within section 2 of this report. Creditors of Global are invited to submit details of their claims to this office, using the Statement of Claim form that can be downloaded from AlixPartners' creditor portal. Any claims received will be held on file until the Administrators are in a position to make a distribution.

8 What happens next

Meeting of creditors

CMO Bidco Limited and CMO Software Limited

- 8.1 The Administrators think that the Companies has insufficient property to enable a dividend to the unsecured creditors. In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, initial meetings of the Companies' creditors are therefore not being convened.

CMO Global Limited

- 8.2 The Administrators think that a dividend will be available to the unsecured creditors but only by virtue of the Unsecured Creditors' Fund. In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, an initial meeting of the Global's creditors is therefore not being convened.
- 8.3 The Administrators are required to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify the Administrators in writing in the prescribed form (Form 2.21B) on or before 11 July 2016. If a meeting is not requisitioned by creditors by this date the proposals will be deemed to have been approved.

Report

- 8.4 The Administrators are required to provide a progress report within one month of the end of the next six month period.

For and on behalf of
The Companies



Peter Saville
Administrator

Encs

Appendix A. Statutory information

Company information

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

Appointor's information

Name	Address	Position
Directors	c/o The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	Directors

Details of Bidco's directors, secretary and shareholders at the date of appointment are as follows

	Date appointed	Number of shares held	Percentage of shareholding
Directors			
Jon Andrew	15 December 2015	-	-
James Darragh	7 July 2015	-	-
Remi Jean-Luc Gerard	28 November 2015	-	-
Stephen Humphris	23 October 2013	-	-
Secretary			
Patricia Minicz	28 November 2015	-	-
Shareholder			
CMO Topco Limited	-	1	100%

Details of Global's directors, secretary and shareholders at the date of appointment are as follows

	Date appointed	Number of shares held	Percentage of shareholding
Directors			
James Darragh	7 July 2015	-	-
Remi Jean-Luc Gerard	28 November 2015	-	-
Stephen Humphris	2 March 2007	-	-
Secretary			
Patricia Minicz	28 November 2015	-	-
Shareholder			
CMO Software Limited	-	100	100%

Details of Software's directors, secretary and shareholders at the date of appointment are as follows

	Date appointed	Number of shares held	Percentage of shareholding
Directors			
Jon Andrew	15 December 2015	-	-
James Darragh	7 July 2015	-	-
Remi Jean-Luc Gerard	28 November 2015	-	-
Stephen Humphris	23 October 2013	-	-
Secretary			
Patricia Minicz	28 November 2015	-	-
Shareholder			
CMO Bidco Limited	-	1	100%

Administrators' information

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

The EC Regulation on Insolvency Proceedings 2000 applies to the Administrations. The proceedings are main proceedings as defined by article 3 of the Regulation. The Companies are based in the UK.

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.

Appendix B. Estimated financial position of the Companies as at 21 June 2016

CMO Bidco Limited

	£
Fixed charge assets	
Intellectual property	4,716,226
Total realisations	4,716,226
Fixed charge liabilities	
Secured creditor	(19,444,444)
Surplus/(shortfall) to secured creditor	(14,728,218)
Floating charge assets	
Furniture and fittings	4,676
Office equipment	3,541
Cash at bank	21,855
Estimated total assets available for preferential creditors	30,072
Floating charge liabilities	
Preferential creditors	-
Estimated deficiency/surplus as regards preferential creditors (net property)	30,072
Estimated Prescribed Part of net property (to carry forward)	(9,014)
Estimated total assets available for floating charge holders	21,058
Debts secured by floating charges	(14,728,218)
Estimated deficiency/surplus of assets after floating charges	(14,707,160)
Estimated Prescribed Part of net property (brought down)	9,014
Unsecured claims	(21,672)
Estimated deficiency/surplus as regards unsecured creditors	(12,658)
Shortfall to preferential creditors (brought down)	-
Estimated deficiency/surplus as regards creditors	(14,719,818)
Issued and called up share capital	(1)
Total deficiency	(14,719,819)

CMO Global Limited

	£
Fixed charge assets	
Customer lists	1
Goodwill	1
Intellectual property	1
Total realisations	3
Fixed charge liabilities	
Secured creditor	(19,444,444)
Surplus/(shortfall) to secured creditor	(19,444,441)
Floating charge assets	
Office equipment	10,175
Book debts	1
Cash at bank	749,923
Estimated total assets available for preferential creditors	760,099
Floating charge liabilities	
Preferential creditors	-
Estimated deficiency/surplus as regards preferential creditors (net property)	760,099
Estimated Prescribed Part of net property (to carry forward)	(155,020)
Estimated total assets available for floating charge holders	605,079
Debts secured by floating charges	(19,444,441)
Estimated deficiency/surplus of assets after floating charges	(18,839,362)
Estimated Prescribed Part of net property (brought down)	155,020
Unsecured claims	(797,700)
Estimated deficiency/surplus as regards unsecured creditors	(642,680)
Shortfall to preferential creditors (brought down)	-
Estimated deficiency/surplus as regards creditors	(19,482,042)
Issued and called up share capital	(100)
Total deficiency	(19,482,142)

CMO Software Limited

	£
Fixed charge assets	
CMO US shares	1
Other shares	1
Intellectual property	2,947,141
Total realisations	2,947,143
Fixed charge liabilities	
Secured creditor	(19,444,444)
Surplus/(shortfall) to secured creditor	(16,497,301)
Floating charge assets	
Cash at bank	5,830
Estimated total assets available for preferential creditors	5,830
Floating charge liabilities	
Preferential creditors	-
Estimated deficiency/surplus as regards preferential creditors (net property)	5,830
Estimated Prescribed Part of net property (to carry forward)	-
Estimated total assets available for floating charge holders	5,830
Debts secured by floating charges	(16,497,301)
Estimated deficiency/surplus of assets after floating charges	(16,491,471)
Estimated Prescribed Part of net property (brought down)	-
Unsecured claims	-
Estimated deficiency/surplus as regards unsecured creditors	-
Shortfall to preferential creditors (brought down)	-
Estimated deficiency/surplus as regards creditors	(16,491,471)
Issued and called up share capital	(1)
Total deficiency	(16,491,472)

Appendix C. Administrators' Receipts and Payments Account for the period 21 June 2016 to 28 June 2016

CMO Bidco Limited

	£
Fixed charge assets	
Receipts	
Intellectual property	4,716,226
	4,716,226
Payments	
	-
Balance of fixed charge assets	4,716,226
Floating charge assets	
Receipts	
Office equipment	4,676
Furniture and equipment	3,541
	8,217
Payments	
	-
Balance of floating charge assets	8,217
Total balance	4,724,443
Represented by	
Interest bearing accounts	4,724,443
	4,724,443

CMO Global Limited

	£
Fixed charge assets	
Receipts	
Intellectual property	1
Customer list	1
Goodwill	1
	3
Payments	
	-
Balance of fixed charge assets	3
Floating charge assets	
Receipts	
Office equipment	10,175
Book debts	1
	10,176
Payments	
	-
Balance of floating charge assets	10,176
Total balance	10,179
Represented by	
Interest bearing accounts	10,179
	10,179

CMO Software Limited

	£
Fixed charge assets	
Receipts	
Intellectual property	2,947,141
CMO US shares	1
Other shares	1
	2,947,143
Payments	-
Balance of fixed charge assets	2,947,143
Floating charge assets	
Receipts	-
Payments	-
Balance of floating charge assets	-
Total balance	2,947,143
Represented by	
Interest bearing accounts	2,947,143
	2,947,143

Appendix D. Administrators' fees and pre-administration costs

Administrators' fees

The basis of the Administrators' fees may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Administrators

- a percentage of the value of the assets with which they have to deal,
- by reference to time properly spent by them and their staff dealing with matters arising in the Administration, or
- as a set amount

On these assignments it is proposed that the basis of the Administrators' fees shall be fixed as a set amount.

If a creditors' meeting is convened or requisitioned, and creditors resolve to establish a committee, it shall as part of the committee's duties to determine the basis or bases of the Administrators' fees and authorise their disbursements

Subject to the approval of the relevant creditors, it is proposed that the Administrators will draw fees when funds are available

Pre-administration costs

Pre-administration fees charged and expenses incurred by AlixPartners are as follows

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Payment made by	Amount unpaid £
The Administrators	Marketing of the Company and negotiation of the sale to the Purchaser	395,670	200,000	The secured creditor	195,670
The Administrators	Disbursements	637	514	The secured creditor	123
Latham Watkns	Drafting the Sales and Purchase Agreement and providing legal advice to AlixPartners	420,000	-	-	420,000

Detailed below is a Time Analysis for the pre-administration costs incurred by the Administrators

Activity category	Hours incurred	Average rate per hour £	Total time cost £
Strategy and planning	45	572	25,787
Marketing of business	350	574	200,833
Negotiation of sale	262	552	144,710
Discussions with key creditors	33	560	18,713
Valuations of assets	10	563	5,627
Total	700	566	395,670

The costs incurred by AlixPartners were subject to an agreement dated 2 May 2016. They were engaged by Bidco's board of directors on a time costs basis. The work was performed prior to the Administration in order to provide valuations of assets to further the sale process, identify potential purchasers and

completing a sale of the Companies' business and assets, and has furthered the achievement of the objective of the Administrations by achieving the most value for the Companies' assets

The costs incurred by Latham and Watkins were subject to an agreement dated 2 May 2016. They were engaged by AlixPartners on a time costs basis. The work was performed prior to the Administration in order to secure and protect the Companies' assets and assist with the completion of a sale of the Companies' assets, and has furthered the achievement of the objective of the Administrations by achieving the most value for the Companies' assets.

Please note that the payment of unpaid pre-administration costs is subject to the approval of creditors, separately to the approval of the Administrators' proposals. This approval will be the responsibility of the creditors' committee, if one is appointed. However, as detailed within section 1 of this report, the Administrators do not intend to convene creditors' meetings and therefore it is proposed that approval will be sought from the secured creditor in accordance with rule 2.67A of the Insolvency Rules 1986.

Appendix E. 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, an associate director or senior associate, 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. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, the Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub contractors in these cases.

Professional advisors

On these assignments the Administrators have used the professional advisors 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 and Watkins (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, 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.

Approval for category 2 disbursements will be sought as specified in section 1 of this report and may include

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage for staff travel - charged at the rate of 45 pence per mile

Appendix F. Exit routes and discharge from liability

Dissolution

Based on present information, the Administrators think a dividend will be paid to the unsecured creditors of Global from the Unsecured Creditors' Fund. In this situation, the Administrators will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of Global once all funds have been distributed. The Administrators will send copies of these documents to Global and its creditors. The Administration will end following the registration of the notice by the Registrar of Companies.

Based on present information, the Administrators think that Bidco and Software have no property which might permit a distribution to their unsecured creditors, they will therefore file notices together with their final progress report at court and with the Registrar of Companies for the dissolution of Bidco and Software. The Administrators will send copies of these documents to Bidco and Software and their creditors. The Administrations 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 their creditors.

Discharge from liability

The Administrators are seeking approval for their discharge from liability from the secured creditor. It is proposed that the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators ceases to have effect.

Administrators' Disclosure Report pursuant to Statement of Insolvency Practice (**SIP**) 16 – pre-packaged sales in administrations

CMO Bidco Limited, CMO Global Limited
and CMO Software Limited
In Administration

28 June 2016

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Appendices

Appendix A	Statutory information
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1 Why this document has been prepared

- 1.1 The term pre-packaged sale refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the sale on, or shortly after, his appointment
- 1.2 In many cases there is a high level of interest from creditors, the public and the business community in pre-packaged sales in administration. For that reason, the professional bodies that regulate the insolvency profession have stipulated that transparency in such circumstances is of primary importance
- 1.3 An insolvency practitioner is required to clearly differentiate the roles that are associated with an administration that involves a pre-packaged sale, that is, the provision of advice to the company before any formal appointment and the functions and responsibilities of the administrator following appointment. An explanation of the work undertaken prior to the Administrators' appointment is given in the following sections
- 1.4 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
- 1.5 As you will be aware Peter Saville, Kevin Coates and Catherine Williamson (the **Administrators**) were appointed administrators of CMO Bidco Limited (**Bidco**), CMO Global Limited (**Global**) and CMO Software Limited (**Software**) on 21 June 2016
- 1.6 In accordance with SIP 16, the Administrators are required to provide creditors with a detailed narrative explanation and justification of why a pre-packaged sale has been undertaken and to demonstrate that this has been done with due regard to the creditors' interests
- 1.7 In these cases the objective pursued was to achieve a better result for the Group's creditors as a whole than would be likely if the Group had been wound up first. The Administrators confirm that the transaction, details of which are provided in this report, enabled the statutory purpose to be achieved and that the outcome achieved is the best available outcome for creditors as a whole in all the circumstances
- 1.8 Further information regarding the Administrations generally and the outcome for creditors will be provided in the Administrators' Statement of Proposals. The statement of proposals is available to be downloaded from AlixPartners' creditor portal, using the log-in details sent to creditors
- 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 Sean Ronald on 0161 838 4507, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

2 Initial introduction and pre-appointment work carried out

- 2.1 The Group provides environmental, health and safety software services to a variety of clients in the UK and overseas. In April 2016, the new management team had identified a significant funding requirement and subsequently presented a recovery plan to the senior secured creditor which suggested that between USD 8 million and USD 12 million was required in order to enable the business to continue trading in the medium to long-term.
- 2.2 In the short-term, management advised that they would be unable to fund the May 2016 payroll without third party financial support.
- 2.3 The Administrators were introduced to the Group on 22 April 2016 by Taylor Wessing LLP following concerns regarding the short-term future of the Group as a result of a failure to achieve budget. Taylor Wessing LLP is a legal adviser to the senior secured creditor who was keen to understand the long-term viability of the business. The Administrators' work subsequently commenced in May 2016, pursuant to an engagement letter dated 2 May 2016 which was executed by the directors of Bidco.
- 2.4 The scope of the work performed prior to the appointment of the Administrators was as follows:
- to assess the working capital requirements of the Group,
 - to review the forecasts and prospects of the Group,
 - to assist in assessing the options open to the Group, and
 - to assist with marketing the business and assets of the Group in order to achieve a going concern sale, if possible, and to maximise the realisations for the creditors of the Group.

3 Marketing activities conducted

- 3 1 As set out above, AlixPartners was engaged by the directors of Bidco pursuant to an engagement letter dated 2 May 2016 in order to assist with a proposed disposal of the Group
- 3 2 The sale process timetable was driven by the Group's inability to fund the May 2016 payroll, and it was therefore agreed that AlixPartners would aim to complete the transaction by 18 May 2016 as even allowing for some slippage, the sale would then complete ahead of the Group exhausting its cash resources
- 3 3 This approach was made on the basis that any purchaser of the business would then fund the May 2016 payroll as part of the purchase and assume the liabilities to the employees

Preparation

- 3 4 AlixPartners worked with the Group's senior management team to prepare a list of potential purchasers to approach. The list included private equity houses, trade parties who had previously expressed an interest in the Group, competitors and other parties that management considered could be interested given their knowledge of the sector, and turnaround private equity houses specialising in accelerated M&A transactions
- 3 5 AlixPartners also developed a speaking brief to be used when introducing the opportunity to parties and a data pack which provided detailed information on the business, including historical and forecast financial information
- 3 6 Given the timetable, it was agreed that an offer deadline of 9 May 2016 would be set as this would leave sufficient time to select a preferred bidder and run a period of due diligence in parallel with negotiating a sale contract by 18 May 2016

Phase one

- 3 7 On 3 May 2016, AlixPartners began to approach the potential purchasers and over the course of the following three business days, a total of 19 parties were contacted
- 3 8 Any party interested in the opportunity was provided with a confidentiality agreement and once this had been signed, the party was furnished with the data pack and offered the opportunity for a meeting or call with management.
- 3 9 Of the 19 parties approached, nine were provided with confidentiality agreements and six were provided with the data pack having first agreed to the terms of the confidentiality agreement. Of the 13 parties who did not receive the data pack, 10 declined to pursue the opportunity and three did not respond to voicemails and emails
- 3 10 With no offers received by the deadline of 9 May 2016, and indications that the senior secured creditor would fund the May 2016 payroll in order to extend the period available to complete a transaction, the decision was made by AlixPartners and the Group to extend the offer deadline to 5 pm on 13 May 2016
- 3 11 Given that a number of parties had declined the opportunity, and there was a possibility funding would be made available to meet the May 2016 payroll, a further 14 parties were approached in the following two business days, taking the total number of parties approached to 33