

AM03

Notice of administrator's proposals



Companies House

TUESDAY



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18/05/2021

#34

COMPANIES HOUSE

1 Company details

Company number 0 9 1 8 2 2 0 6

Company name in full One LDN Ltd

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

2 Administrator's name

Full forename(s) Stephen

Surname Katz

3 Administrator's address

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N 1 2 8 L Y

Country

4 Administrator's name ①

Full forename(s) Asher

Surname Miller

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

5 Administrator's address ②

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N 1 2 8 L Y

Country

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

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

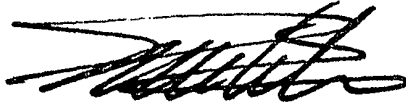
7

Sign and date

Administrator's
Signature

Signature

X



X

Signature date

^d1

^d4

^m0

^m5

^y2

^y0

^y2

^y1

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Matthew Hull
Company name	Begbies Traynor
Address	Pearl Assurance House 319 Ballards Lane
Post town	London
County/Region	
Postcode	N 1 2 8 L Y
Country	
DX	57368 Finchley 1
Telephone	020 8343 5900



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

One LDN Ltd (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	One LDN Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 30 March 2021
"the administrators", "we", "our", "us"	Stephen Katz of Begbies Traynor, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY and Asher Miller of Begbies Traynor, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	One LDN Ltd				
Trading name:	ONE LDN				
Date of Incorporation:	19 August 2014				
Company registered number:	09182206				
Company registered office:	Pearl Assurance House, 319 Ballards Lane, London, N12 8LY				
Former registered office:	Palladium House 1-4 Argyll Street London W1F 7LD				
Trading address:	Imperial Wharf, The Boulevard, London, SW6 2UB				
Principal business activities:	Operation of a premium gym and fitness center				
Directors and details of shares held in the Company (if any):	<table><tr><th>Name</th><th>Shareholding</th></tr><tr><td>Evgenia Koroleva</td><td>25 Ordinary Shares</td></tr></table>	Name	Shareholding	Evgenia Koroleva	25 Ordinary Shares
Name	Shareholding				
Evgenia Koroleva	25 Ordinary Shares				
Share capital:	£100 – 100 Ordinary Shares of £1				
Shareholders:	Evgenia Koroleva – 25 Ordinary Shares Sergey Gulyaev – 50 Ordinary Shares Vadim Korolev – 25 Ordinary Shares				

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	30 March 2021
Court:	HIGH COURT OF JUSTICE - BUSINESS AND PROPERTY COURTS
Court Case Number:	CR-2021-000607
Person making appointment:	The Director
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended).

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) 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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

Following an extensive refurbishment programme conducted following its incorporation in 2014, the Company has been the operator of “ONE LDN”, a premium gym and fitness centre (“the Gym”) within the Imperial Wharf residential development in Fulham, London, since April 2016.

The Gym is situated near to the river Thames in an affluent part of London and sits within the middle of the London fitness market in terms of membership pricing. The Gym occupies a 16,500sq ft premises with a spacious gym floor and multiple exercise studios catering to yoga, strength, boxing and large group classes. A flexible membership structure is operated with no fixed term contracts and over 60 pay as you go classes offered each week.

The lease for the Gym is for a term of 13 years, of which 7 are remaining. Annual rent payable under the lease is £305k plus VAT with quarterly service charge of £10,027 plus VAT. The landlord holds a rent deposit of £305k.

A second London gym was opened in Tower Hill at the end of 2017, however, due to an investor pulling out at the last minute, in January 2018 the Company entered Administration, during the course of which the Tower Hill site was sold. In April 2018, a CVA proposed by the Administrators was approved, the terms of which provided that the Company would make contributions to the Supervisor of £3.5k per month over the course of 5 years. The CVA facilitated the Company's exit from Administration later in 2018.

Prior to the onset of the global Coronavirus pandemic (“the pandemic”), the Gym had circa 1,500 members paying monthly subscriptions averaging £70 per month inclusive of VAT. Owing to three enforced closures

during 2020 and early 2021 as a consequence of government mandated restrictions on trading introduced during the various pandemic lockdowns, membership shrunk considerably to circa 500, with membership fee payments suspended during these periods of enforced closure.

As of March 2020, the Company continued to employ 13 full time staff, all of whom had been placed on furlough under the Coronavirus Job Retention Scheme ("CJRS") for much of the preceding year.

With acutely reduced revenues throughout 2020 and early 2021 due to the prolonged closures, the Company was unable to maintain payments due under the terms of existing contracts entered into pre-pandemic, most notably the sums accruing to the landlord of its premises under the lease and also the lessor of its gym equipment. Additionally, due to the lack of income, monthly contributions into its CVA could not be made.

In recognition of the position, the landlord was flexible in allowing rent free periods during the enforced closures, and the Company paid a reduced 50% rent when it had been able to open. Furthermore, the CVA Supervisors agreed to grant a contribution payment holiday during the relevant period.

The gym equipment was subject to lease purchase agreements with a specialist gym equipment financier, Technogym UK Limited ("Technogym"), with gross monthly payments due to Technogym under the relevant agreements totalling c£9k. Payments due to Technogym had already fallen into arrears in early 2020, and during the course of the pandemic accrued to over £200k. As a consequence of the mounting arrears, during February and March of 2021 the Company began to come under increasing pressure from Technogym to remedy the position and bring payments up to date. The Company's director made attempts to negotiate a new manageable payment plan with Technogym, however, no agreement could be reached. Later in March, Technogym declared an intention to terminate the agreements and remove the equipment from the Gym.

In view of this development, we were first approached in February 2021 and initially held several conference calls with the director and accountant in order to gain an understanding of the Company's financial position in the context of the pandemic.

It was clear from this review that the Company was insolvent on a balance sheet basis, with liabilities exceeding £6.5 million (around £5.6 million of which consisted of sums owed to the director and other connected parties in respect of funding introduced to cover start-up costs and trading losses since its incorporation), and assets which, even in a best case scenario, would only achieve values amounting to small fraction of the liabilities. Furthermore, with negligible income other than government furlough drawdowns for several months due to the enforced suspension of trading, and consequent inability to pay its debts as and when they fell due, the Company was also insolvent on a cash flow basis. However, it was apparent that the gym was well established, with a substantial membership base, limited local competition and a strong reputation and location, and therefore could retain going concern value on an asset-only sale basis, should its trading status be maintained.

Although certain restrictions on precipitative creditor enforcement action had been introduced by the Government as a consequence of the pandemic, it was not clear that these restrictions would prohibit Technogym from removing the equipment subject to the lease agreement in the event it was able to access the premises. Any steps taken by Technogym in this regard would clearly have been extremely disruptive, and the removal of the gym equipment would have rendered the business unable to trade upon lifting of the restrictions, thereby eroding the potential going concern business value.

It was considered that Administration would provide the protection of the statutory moratorium, alleviating the threat of disruption, and thereby allowing the Administrators both the control and time to conduct a suitable marketing exercise geared towards identifying an appropriate buyer and maximising the potential value of the assets for the benefit of creditors. The Administration process would also enable the staff to remain on furlough until required for trading, with an Administration sale likely constituting a relevant transfer for TUPE purposes, and that, as well as maximising potential recoveries, Administration could have the added effect of saving jobs and reducing the potential level of claims in the estate.

Accordingly, in the context of the Company's insolvent position it was apparent that Administration would provide the required protection and control to enable the appointed office holders to initially maintain the status quo and subsequently oversee trading whilst a buyer could be sought, with a trading scenario offering

the best prospect of preserving the residual value in the Company's business and thus producing greater realisations for creditors than would be the case in a shutdown liquidation scenario where only break-up forced sale values would be achievable.

In view of the position the director held a Board Meeting on 25 March 2021, at which it was resolved that the Company should be placed into Administration. Following preparation and signing, the Notice of Appointment was filed 30 March 2021 with Stephen Katz and Asher Miller of Begbies Traynor appointed as Joint Administrators at this time. The appointment was made by the Directors pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Administration is registered in the High Court of Justice, Business and Property Courts under reference number CR2021-000607.

5. STATEMENT OF AFFAIRS

The director has prepared a statement of affairs of the Company as at 30 March 2021 which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation.

Our comments on the statement of affairs are as follows:

- The director's statement of affairs has been prepared on a liquidation break-up basis, and demonstrates the potential value of the Company's assets and extent of its liabilities had the Company permanently ceased trading on this date.
- As it is apparent that the Company's CVA will shortly be terminated by the Supervisors, the Statement of Affairs includes the claims of CVA creditors, less distributions made from the CVA to date.
- Sums due to the Company's creditors are the latest available from the Company's records. However, the landlord has notified us that the actual arrears under the lease amount to £533,444.
- As a consequence of the decision to trade in administration and resultant agreement for sale summarised in the next section of this report, the Company's assets are anticipated to achieve a substantially greater return for the estate that would have been the case in an immediate shut down. Consequently, the actual outcome for creditors is anticipated to be significantly better than indicated by the Statement of Affairs. Accordingly, an estimated outcome statement comparing the Statement of Affairs liquidation scenario to the potential going concern sale scenario currently envisaged is included at Appendix 2A.

The director requested our assistance with the preparation of a draft statement of affairs. Time costs of £1,320 calculated by reference to Begbies Traynor's standard London tariff were incurred in completing this task and are to be sought as an expense of the Administration. Details in this regard are included within the Estimate of Expenses at Appendix 3.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 30/03/2021 to 10 May 2021. A trading receipts and payments account is attached at Appendix 1A.

Receipts

Surplus from trading – £45,226.68 - The surplus from trading represents the net trading sales revenues received during the administration trading period to date, less trading expenditure paid to date. It should be noted that the Company's revenues are predominantly received during the first week of the month, this being the point at which membership subscriptions are paid. Once monthly trading costs are considered, the net trading position is anticipated to be broadly break even at the month end.

An itemised trading receipts and payments account is attached at Appendix 1A, with revenues to date consisting of both net sales and funds received from the CJRS in respect of furloughed staff wages for the month of April.

Third Party Funds - It should also be noted that the sum of £15,000 was advanced to our firm's stakeholder account by the Company's director prior to the appointment taking place, to be held on account of the costs of the administration. This sum is returnable to the director upon receipt of sufficient asset realisations into the estate, or alternatively, may be set off against the consideration due pursuant to the proposed sale detailed later in this report.

Payments

To date, the only payments made from the estate are those directly applicable to the costs of trading the business. These payments are recorded within the trading receipts and payments account attached at Appendix 1A and are summarised as follows on a net basis:

Communications – £710 - Payments made to the supplier of the Company's internet, telephone lines and IT support in order maintain these essential services.

Printing and Stationary - £107 - Costs of various signage and other printing required during the course of the administration trading period to date.

Bathroom Supplies - £116 - Miscellaneous toiletries required in order to stock the gym changing rooms and toilets.

Software Subscriptions - £938 - The gym is equipped with an automated smart locker system administered remotely by a third party supplier. The payments made represent the costs of maintaining this system for trading purposes.

Insurance - £1,000 – Annual premium of £5,679 payable monthly over 6 months in order to maintain adequate insurance cover.

Repairs and Maintenance - £1,235 - Various setup and general property maintenance costs paid during the course of the administration to date.

Health & Safety and HR - £407 - Sums paid to the Company's health & safety and HR consultancy.

Cleaning - £3,856 - Due to the nature of the business, essential cleaning services are provided by a third party contractor on a daily basis and in advance of re-opening when a "deep clean" was required.

Stripe & Bank Charges - £2,018 – All of the Company's revenues are received via the Stripe payment processing system. Relevant charges are applied directly to receipts by Stripe in this regard.

Instructors' Pay - £1,870 – Sums paid to self-employed instructors in respect of classes held at the Gym.

Wages and Salaries – The net payroll for the month of April 2021 amounted to £20,730. PAYE/NI and Pension costs for April amounting to £5,720 are to be paid shortly.

Work undertaken by the Administrators and their staff

Trading

Following appointment on 30 March 2021, a site visit was undertaken and we sought further information on the Company's projected cash flows from the Company's director and internal accountant with a view to establishing the viability of Administration trading following lifting of the trading prohibition on 12 April 2021. A

period of Administration trading was considered to be desirable in order to allow an appropriate period of time for a marketing exercise to be undertaken by our agents, Williams & Partners, with the objective of identifying a buyer for the business and assets.

Initial cash flows prepared in conjunction with the director indicated that, excluding occupancy costs, trading would be broadly break-even for the partial month of April, with performance projected to improve in May and June as revenues grow due to new and reactivated gym memberships. Maintaining the Company's membership revenues and trading status was deemed to be key in preserving the inherent value of the business to a potential purchaser. Consequently, based on these projections, it was considered that trading in Administration was justified in view of the office holders' primary duty to maximise realisations in the estate for the benefit of creditors.

Trading premises

Upon our appointment, we initiated a dialogue with the landlord's agent, to both notify them of the position and seek a commercial agreement that would enable the gym to trade in Administration for a short period to enable a period of marketing geared towards identifying a buyer for the business assets and therefore potentially a new tenant for the landlord. From these discussions, it was agreed that leasehold obligations accruing during the period of Administration trading would not be sought as an expense of the estate from the Administrators until at least 1 June 2021. This agreement ensured that there would initially be no occupancy charges during the trading period, therefore rendering the cash flow viable for the envisaged period of trading and enabling the proposed strategy to be implemented. This is also conditional upon the landlord drawing down 50% of the rent deposit in respect of which we are still awaiting the formal notices.

Staff

Prior to the reopening of the gym, the case manager held an on-site meeting with the Company's staff to update them on the position and initial plans for trading during the administration. All staff had initially remained on furlough under the Coronavirus job Retention Scheme ("CJRS") following our appointment, with a view to the commencement of trading on 12 April. Working with the director, key staff required for reopening were identified and the relevant employees were instructed to return to work. In view of the strong likelihood of an eventual sale resulting in the transfer of all employees to a purchaser under Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), the remainder of the staff have remained on furlough to date, with the position monitored on a weekly basis in the context of trading levels and consequent staffing requirements. In order to reduce payroll processing costs, an agreement was reached with a new supplier at a reduced monthly cost effective from April 2021 on onwards.

Equipment Lease

The vast majority of the Company's gym equipment was subject to lease agreements with a gym chattel financier. Following our appointment, the lessor sought to terminate its agreements with the Company following and made a formal request for consent from the Administrators to collect the equipment subject to the agreements as a consequence of the substantial arrears.

It was apparent that certain equipment subject to the agreements would be required in order to trade the business during the administration. Following legal advice, a list of those items required for the purpose of continued trading was accordingly formulated and presented to Technogym, with consent provided in respect of collection of those items not required. We subsequently engaged in ongoing correspondence with Technogym's legal representatives with the objective of agreeing a reasonable monthly charge to be paid from the estate during the period in which the equipment is required for trading purposes. In this regard, on 4 May 2021 an agreement was reached whereby a monthly sum of £2,961 plus VAT would be paid in respect of the usage of the retained equipment for the relevant trading period.

Systems

The Company utilised a specialist integrated gym management, booking and payments software package with a Stripe payment processing system, through which all membership revenues were received. Upon

appointment, our team obtained access to this software platform, enabling revenues to be monitored centrally on a real time basis to ensure full visibility during the trading position.

Payment Processing and Banking

The Company operated a cashless business model, with revenues received via the Stripe account linked to the booking and management software package. It was deemed to be a priority to take control of revenues as soon as possible after appointment, in order to ensure immediate access to the funds required to meet necessary trading expenditure for ongoing trading without interruption. In this regard, a designated estate bank account was immediately opened in the name of the administrators, meaning that we were able to promptly redirect the card payments received via the Stripe account from the Company's pre-administration bank account to the new designated account from mid-April onwards. Following correspondence with the relationship manager at the Company's pre-administration bankers, deposits received into the old account prior to the switch were also transferred to the estate.

Insurance

Our insurers were notified upon appointment with copies of the Company's current policy documentation provided to our insurance broker. It was apparent that the premium had not yet been settled, and following discussions between our broker and the Company's broker, the existing insurer agreed to note the interest of the Joint Administrators and preserve the current policy, with an agreement reached whereby the balance of the premium would be paid way of six monthly instalments.

Utilities

Meter readings were taken on appointment with the Company's energy supplier notified of the requirement to continue this essential service pursuant to relevant insolvency legislation during the administration trading period. Meter readings have been taken on a monthly basis since our appointment in order that relevant invoicing for the supplies utilised during the trading period may be raised at the relevant time.

Suppliers

Working with management, key suppliers were identified by our team and contacted shortly after appointment, with agreements to continue supply during the administration trading period reached where necessary in order to enable ongoing receipt of key services such as cleaning, maintenance and security to the gym.

Our team has also conducted an ongoing general review of costs with management in order that overheads may be reduced where possible, via the reduction or suspension of certain supplier services.

Trading performance has been analysed on an ongoing basis with a modest trading loss envisaged for April as a result of various setup costs required in order to prepare the site for trading. In view of the agreement in principle for sale detailed below, it is intended that the Company will continue to trade in administration until completion in order to ensure the value in the business is retained via crucial continuity of service for the gym members.

Sale of Assets

Upon appointment, Williams & Partners Limited ("WAPL"), an independent firm of professional valuers and insolvency agents, were instructed to assist in the assessment, marketing and sale of the business and assets. In this first instance, WAPL prepared an Information Memorandum ("IM") following meetings with the director and ongoing liaison with our team to obtain the relevant company information for preparation of this document.

On the basis of the timeframe that we were operating under it was decided that the most suitable marketing strategy would be to market the sale of the business on IP-Bid, Deal Opportunities & Daltons Business, three

well-known websites for distressed business opportunities. By adopting this strategy it was considered that we would be casting a wide enough net over likely parties both within and outside the industry that might be interested in purchasing the assets and goodwill as a going concern out of administration or, alternatively, eliciting interest from a venture capital or investment company which may look to work with current management in a new entity.

Adverts were accordingly placed on all three sites on 5 April 2021 with requirements that offers were received on or before 26 April 2021. This period was chosen as, with gyms only recently being provided with a date for reopening after the Government's Covid-19 lockdown programme, it was deemed essential that if a buyer were to be found they would want to take advantage of returning customers as soon as possible rather than have a gym changing management and ownership within a short period of re-opening.

Following publishing, the adverts received a total of 19 applications from interested parties, all of whom were sent NDAs. Of these, 8 were signed and returned with the Information Memorandum ("IM") then sent to each party. Consequently, more detailed discussions were held with two parties, with two offers eventually received.

The first offer was received from an unconnected third party, with the eventual consideration payable highly contingent upon future trading performance. The offer was also put forward subject to numerous conditions, the majority of which could not realistically be met. Upon confirmation, the offering party declined to amend the terms of its offer, which was automatically withdrawn after 14 days.

The second offer was received from One LDN 360 Ltd ("the Proposed Purchaser") an entity connected to the Company's director, Evgenia Koroleva. Following further negotiations with WAPL, during which the initial payment terms proposed were rejected, an improved offer with a consideration totalling £135,000 was subsequently made. WAPL subsequently advised that the business retained greatest value to an entity with access to existing knowledge of the business, assets and customers and ability to provide continuity of service, and therefore that the offer from the Proposed Purchaser would generate the greatest realisations for the estate in the circumstances. WAPL recommended to the Joint Administrators that the offer should be accepted and consequently an agreement in principle was confirmed to the Proposed Purchaser on 26 April, with solicitors instructed to begin preparing the relevant sale documentation later in the same week.

The sale terms agreed provide for a payment on completion of £45,000, with a further £90,000 payable in 12 equal monthly instalments of £7,500, commencing on the date that the lease is assigned to the Proposed Purchaser. The acquisition will also see all of the Company's employees and their associated obligations and liabilities under their employment contracts pass to the Purchaser pursuant to TUPE legislation, thereby saving the jobs of all staff and significantly reducing the potential level of claims in the Company's estate.

WAPL has recommended that the consideration be apportioned between the asset classes subject to the proposed sale as follows:

	£
Lease	82,333
Office Furniture & Equipment	1,795
Kitchen Furniture & Equipment	1,450
Unencumbered Gym Equipment	30,830
Website & Domain	6,000
Goodwill	12,592
Total	135,000

Security in respect of the deferred element of the consideration is to be provided by way of a fixed and floating charge debenture in favour of the Company over the assets of the Purchaser, and additionally, a personal guarantee from the Proposed Purchaser's director for its obligations under the agreement.

Given that the business is not viable with current occupancy obligations, it is acknowledged by all parties that, in order for the proposed sale to reach completion, the Proposed Purchaser will require a variation and assignment of the premises lease, and therefore an agreement of the Company's landlord as to new terms. Based on current information, it is envisaged that the requisite terms and documentation pertaining to the lease will likely take 1-2 months to finalise, and that during this interim period, the Company will continue to trade in administration, with completion to occur upon assignment of the lease.

Should the sale proceed to completion as envisaged, the consideration achieved by the Joint Administrators for the business will be substantially more than had initially been anticipated at the outset of this appointment, and very substantially more than would have been achieved in a shut-down scenario as demonstrated by the estimated outcome statement included at Appendix 2A, which would have certainly been the case had an administration trading strategy not been pursued. Furthermore, the potential level of claims in the Company's estate will be significantly reduced as a consequence of the TUPE transfer of the staff to the Proposed Purchaser. In the circumstances, we believe this would represent an excellent outcome which will facilitate the payment in full of preferential creditors, along with a distribution to unsecured non-preferential creditors.

CVA

Creditors may recall that the Company had been subject to a CVA in respect of its unsecured liabilities up to April 2018. Following appointment, it was confirmed to the CVA Supervisors that no further contributions into the CVA would be made, and accordingly that it would be appropriate to bring the CVA to an end. As a consequence of the CVA's failure, the binding debt compromise applicable to those debts subject to the CVA will fall away, with claims in the administration therefore encompassing both original CVA debt, less distributions processed during the course of the CVA to creditors, plus the post-CVA liabilities incurred by the Company.

General actions taken during the course of the appointment

- Filing the Notice of Appointment with the Registrar of Companies.
- Serving the Notice of Appointment on the Company and the Supervisors of the Company's CVA.
- Writing to all known creditors as soon as reasonably practicable following appointment to provide notice of the appointment;
- Corresponding with the Company's pre-administration bankers to freeze all accounts to any future outgoing payments and cancel all Direct Debits and Standing Order;
- Opening a designated bank account and dealing with the movement of funds;
- Applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005;
- Publishing the necessary statutory advertisement in respect of the administration proceedings in the London Gazette;
- Completing various searches at Companies House to obtain statutory information on the Company;
- Submitting a VAT 769 notifying HM Revenue & Customs that the Company is now in administration;
- Acknowledging creditors' claims, answering telephone and email enquiries and correspondence therewith;

- Engaging in regular correspondence with representatives of the Company's landlords regarding matters pertaining to the lease;
- Dealing with various queries raised by the Company's employees;
- Handling the ongoing queries of the Company's director in respect of various matters;
- Instructing WAPL to prepare an assessment of the Company's assets and collating various relevant company information for WAPL in this regard;
- Dealing with numerous calls and emails from parties potentially interested in the Company's business and assets, and referring details to our instructed agents, WAPL;
- Liaising with our insurance brokers and the Company's existing insurers in order to facilitate requisite cover during the administration;
- Obtaining copies of the Company's electronic records, including those related to payroll and accounts;
- Ongoing correspondence with the Company's bank regarding the balance sitting in the account upon the Company's entry into administration;
- Preparation of the Joint Administrators' statutory Report and Proposals for the administration.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs, and estimated outcome for each class of creditors from the administration, are as follows:

Secured creditors

The Company has no known secured creditors, however, the Company's landlord holds a rent deposit in the sum of £305,000 as security for the Company's obligations under the terms of the lease, which it is anticipated will be drawn down against outstanding obligations.

Preferential creditors

As a result of the agreed sale of the business and assets detailed earlier in this report, it is anticipated that the employees of the Company will all transfer to the Proposed Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, and consequently that there will be no primary preferential claims in the estate.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HM Revenue & Customs is estimated at £25,934. Based on current information, it is considered that there will be sufficient realisations to facilitate a distribution to HM Revenue & Customs in respect of its secondary preferential claim.

Unsecured creditors

Claims of unsecured creditors are estimated at £6.49 million. Of this total, circa £5.6 million relates to sums owing to connected parties in respect of funding introduced to the business since commencement.

Based upon realisations to date and estimated future realisations there will be sufficient funds available to enable a general dividend to be paid to the unsecured creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that, due to the extent of the Company's liabilities, it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and

consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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).

We consider that this objective will be achieved upon completion of the proposed sale summarised at Section 6 above, which will secure recoveries from the assets of a far greater level than would be the case in a shut-down liquidation scenario, where all goodwill in the business would have been immediately eliminated, with ongoing membership revenues lost.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's assets. The principal matters to deal with in this respect are:

- To agree, finalise and execute the contract for the sale of the business and assets and ensure that exchange takes place as soon as possible;
- To continue to trade the business in administration whilst the Proposed Purchaser seeks an agreement to variation of terms and assignment of the lease with the landlord;
- To deal with execution of the lease assignment, and engage with the Purchaser to ensure a smooth transition of the assets, staff, customers and systems of the business at the relevant time;
- To monitor the position of the Purchaser and ensure the deferred element of the sale consideration is received in full and on time each month.

Following these events, and assuming sufficient funds are realised as is envisaged, we will take steps to verify creditor claims and distribute funds accordingly.

It is also proposed that:

- The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the administration ceases to have effect;
- As funds will become available for unsecured creditors, the Joint Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the administration as part of the Joint Administrators' remuneration;
- Without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Act, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the administration;
- The Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.

Exit from Administration

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured non-preferential creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part, if applicable, to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such

¹ Insolvency Act 1986, Sch B1, para 83(1)

notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

It may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect, however, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of the following ("the Work"):

- Initial conversations with the Company's director in relation to issues at hand and immediate creditor pressure from the equipment lessor.
- Requesting and reviewing various company records and financial information in order to gain an understanding of the Company's current position.
- Providing advice to the director via regular telephone and video calls as to the potential options available and process for the proposed appointment of administrators.
- Preparation of an engagement letter and other necessary documentation in order to progress the proposed administration.
- Internal discussions with proposed case staff in order to formulate an appropriate strategy for the pending administration, and preparing a detailed strategy note in this regard.
- Preparation of the requisite administration appointment documentation and filing of the same with the High Court via the e-filing process.

The Work was carried out pursuant to an engagement letter entered into with the Company on 26 February 2021. The engagement letter provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration to enable an appropriate strategy to be formulated prior to any appointment taking place. The work carried out led to the eventual implementation of the trading strategy resulting in the agreement for sale detailed above at Section 6, and has therefore furthered the achievement of the objective of administration being pursued, namely 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).

The pre-administration costs are as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	10,669.00	2,133.80	12,802.80

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by seeking decisions of creditors. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a pre-administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor for attending to matters as set out in the fees estimate.

It is for the creditors' committee to approve the basis of our remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. We intend to deal with this by seeking decisions of creditors via correspondence

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 30 March 2021.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

We have provided in our receipts and payments account details of all payments made to date. In addition, along with general trading expenditure, we have also incurred the following estimated costs (which are included within the overall estimate of expenses at Appendix 3 below):

Agents Fees and Disbursements – Williams & Partners Ltd - £10,000 plus VAT (estimate) – This work includes the following:

- Preparation of a Report and Valuation of the Company's assets.
- Conducting the marketing exercise detailed above at section 6 in order to identify and appropriate buyer.
- Entering negotiations with interested parties in respect of offers made and proposed terms of sale
- Providing regular updates to the Joint Administrators on progress of the marketing exercise, negotiations and bids received and providing a recommendation of acceptance

Legal Fees and Disbursements – Hamblins LLP - £10,000 plus VAT (estimate) – This work, which is ongoing at this time, includes the following:

- Providing advice to the Joint Administrators on the position pertaining to the leased gym equipment.
- Preparation of an asset sale agreement in respect of the proposed sale.
- Dealing with the proposed assignment of the Company's lease to the purchaser.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Connected party transactions

Full details of the terms and rationale for the proposed sale of the Company's assets to an entity connected to the Company's director, Evgenia Koroleva, are included above at Section 6.

Deemed delivery

These proposals will be deemed to have been delivered on 18 May 2021.

Use of personal information

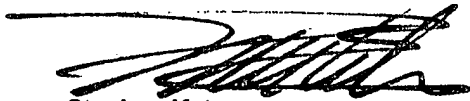
Please note that in the course of discharging our statutory duties as Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

We consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Stephen Katz
Joint Administrator

Date: 14 May 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

30 March 2021 to 10 May 2021

ONE LDN LTD - IN ADMINISTRATION
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 30 MARCH 2021 TO 10 MAY 2021

	<u>Realised</u> <u>to-date</u> £
<u>Receipts</u>	
Trading Surplus	45,224.68
	<u>45,224.68</u>
<u>Payments</u>	
None	0.00
	<u>0.00</u>
<u>Receipts less Payments</u>	<u>45,224.68</u>
<u>Represented by:-</u>	
Balance at Bank	56,021.82
VAT Payable	(11,829.37)
VAT Recoverable	1,032.23
	<u>45,224.68</u>

ONE LDN LTD - IN ADMINISTRATION**Trading Receipts and Payments Account from 30 March 2021 to 10 May 2021**

	£	£
Receipts		
Net Sales		59,146.85
Furlough funds		19,065.92
		<hr/>
		78,212.77
 Less: Trading Expenses Paid		
Communications	710.14	
Printing and Stationary	106.80	
Bathroom Supplies	115.68	
Software Subscriptions	938.39	
Insurance	1,000.00	
Repairs and Maintenance	1,235.00	
Health & Safety	407.00	
Cleaning	3,856.11	
Bank/Stripe Charges	2,018.78	
Instructors Pay	1,870.00	
Net Wages - April 2021	20,730.19	
	<hr/>	
		32,988.09
 Trading Surplus		<hr/>
		45,224.68
		<hr/>

**DIRECTOR'S STATEMENT OF AFFAIRS AS AT 30
MARCH 2021**

Statement of affairs

Name of Company:
One LDN Ltd

Company number:
09182206

In the:
HIGH COURT OF JUSTICE -
BUSINESS AND PROPERTY COURTS
[full name of court]

Court case number:
CR-2021-000607

(a) Insert name and address
of registered office of the
Company

Statement as to the affairs of (a) One LDN Ltd of Pearl Assurance House, 319 Ballards Lane,
London, N12 8LY

(b) Insert date

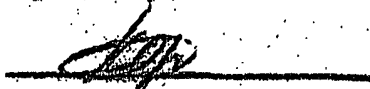
on the (b) 30 March 2021, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 30 March 2021, the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name: Evgenia Koroleva

Signed:




Dated:

11 May 2021

ONE LDN LTD
ESTIMATED STATEMENT OF AFFAIRS AS AT 30 MARCH 2021

	<u>Notes</u>	<u>Book Value</u> £	<u>Estimated To Realise</u> £
<u>ASSETS (SPECIFICALLY CHARGED)</u>			
Rent Deposit	1	305,000	305,000
Less: Landlord			(417,877)
Shortfall as regards Landlord c/d			<u>(112,877)</u>
<u>ASSETS</u>			
Leasehold Property	2	2,186,874	Nil
Plant & Machinery	3	145,429	7,545
Furniture & Equipment	4	<u>26,229</u>	<u>580</u>
<u>ASSETS AVAILABLE TO PREFERENTIAL CREDITORS</u>			8,125
Employees' Preferential Claims (Number: 13)	5		<u>(5,369)</u>
<u>SURPLUS AVAILABLE TO SECONDARY PREFERENTIAL CREDITORS</u>			2,756
Less: Secondary Preferential Creditors - HM Revenue & Customs	6		<u>(25,934)</u>
<u>DEFICIENCY AS REGARDS SECONDARY PREFERENTIAL CREDITORS c/d</u>			<u>(23,178)</u>
<u>ASSETS AVAILABLE TO UNSECURED CREDITORS</u>			Nil
<u>UNSECURED CREDITORS - as per list A attached</u>			
Shortfall to Landlord b/d	7	(112,877)	
Trade and Expense creditors		(758,618)	
HM Revenue & Customs	8	(5,124)	
Shareholder Loans		(5,600,000)	
Employees' Unsecured Claims (Number: 13)	9	<u>(13,650)</u>	
			<u>(6,490,269)</u>
<u>DEFICIENCY AS REGARDS UNSECURED CREDITORS</u>			(6,490,269)
Deficiency as regards Preferential Creditors b/d			<u>(23,178)</u>
<u>DEFICIENCY AS REGARDS CREDITORS</u>			(6,513,447)
<u>SHARE CAPITAL</u>			
100 ordinary shares of £1 each fully paid			<u>(100)</u>
<u>DEFICIENCY AS REGARDS CONTRIBUTORIES</u>			<u>(6,513,547)</u>

Signature.


 Evgenia Koroleva - Director

ONE LDN LTD

NOTES TO ESTIMATED STATEMENT OF AFFAIRS AS AT 30 MARCH 2021

1. The Company's landlord holds a rent deposit in the sum of £305,000. Arrears under the lease amount to circa £417k, and consequently, once the rent deposit is drawn down by the landlord against the arrears there will be no residual balance available to the Company.
2. The Company's assets have been valued by Antony Berg of Williams & Partners Limited ("WAPL"). WAPL has commented that, due to the substantial arrears, upcoming rent review provisions and obligation to top up the rent deposit, on its current terms the leasehold property would hold no premium value to a potential assignee.
3. The Company's plant & machinery consists of a large volume of gym equipment, the vast majority of which is subject to lease agreements with a specialist financier. The estimated to realise value represents WAPL's estimate of the forced sale break up value of the limited amount of unencumbered equipment owned by the Company, consisting primarily of free weights.
4. The Company owns general office furniture and equipment of mixed age and condition as well as general kitchen equipment. The estimated to realise value represents WAPL's estimate of the forced sale break up value of these items.
5. In the event that redundancies are made as a result of the Company's insolvency, certain sums owed to the Company's former employees in respect of arrears of wages and holiday pay will rank preferentially in the estate, the majority of which would likely be subrogated to the Secretary of State following payment by the Redundancy Payments Service.
6. This total is made up of sums owed to HM Revenue & Customs in respect of VAT, PAYE and Employee's National Insurance Contributions.
7. Creditors' claims are subject to agreement by the insolvency office holders and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
8. This consists of the sum owed to HM Revenue & Customs in respect of Employer's National Insurance Contributions.
9. In the event that redundancies are required as a consequence of the Company's insolvency, certain sums potentially owed to the Company's employees in respect of arrears of wages, pay in lieu of notice and redundancy pay will rank as general unsecured claims in the estate, the majority of which would likely be subrogated to the Secretary of State following payment of employees by the Redundancy Payments Service.

The estimated total deficiency is subject to the costs of administration, liquidation and distribution for which no provision is made in this Statement of Affairs.

ONE LDN LTD
ESTIMATED STATEMENT OF AFFAIRS AS AT 30 MARCH 2021

A - UNSECURED CREDITORS		
NAME	ADDRESS	AMOUNT
Trade and Expense Creditors		
Ashley Cleaning Services	1a, 1b Chase Green Ave, Enfield, EN2 6SJ	875.06
BLSCC LTD	15 Unicorn Building, 2 Jardine Road, London, E1W 3WF	766.00
BWT UK Limited	The Gateway Centre, Cressex Business Park, Coronation Rd, High Wycombe, HP12 3SU	71.83
Blick Rothenberg	Palladium House, 1 - 4 Argyll Street, London, W1F 7LD	12,615.00
Bridgegate Electrical	9 Woodlands Business Park, Woodlands Park Avenue, Maidenhead, Berkshire, SL6 3UA	3,819.21
Capital Cleaning & Support Services Ltd	32 Korsey Drive, South Vroydon, Surrey, CR2 8SX	8,781.21
Crystal Laundry Services	Unit 1, Mitre Bridge Industrial Park, Mitre Way, London W10 6AU	20,530.46
Comun Version	Westminster Bridge Road, London, SE1 7PD	1,435.10
CTC Training & Development	Unit 14/15, Flexspace Business Centre, Balefield Enterprise Park, Stafford Drive, Shrewsbury SY1 3BF	316.67
Condition Environment Services Ltd	Ander House, 245 Acton Ln, London NW10 7NR	474.85
DWF Law	2nd Floor, 201 Deansgate, Manchester, M3 3NW	16,106.87
Diguru	3 - 6 Avenger Close, Chandlers Ford Ind Estate, Hampshire, SO53 4DQ	1,239.89
Diamond Facilities Support Ltd	Units 2222-2226, The Crescent, Birmingham Business Park, Birmingham, B37 7YE	6,150.10
Dacha Security Solutions Limited	23 Barton Lane, Barton on Sea, Hampshire, BH25 7PJ	28,087.84
EDF Energy	Atlantic House, Hazlewick Avenue, Henson Road, Crawley, RH10 1QQ	743.93
Yanina Fish	31 Vernon Drive, Stanmore, Middx, HA7 2BP	923.32
Gantner	Bundesstrabe, 12 A - 6714, Nuziders	1,001.24
Geraldeve	72 Welbeck Street, London, W1G 0AY	2,848.78
Hydro-Electric	Atlantic House, Hazlewick Avenue, Henson Road, Crawley, RH10 1QQ	6,160.20
Judicium	72 Cannon Street, London EC4N 6AE	488.40
Knightstone Group Ltd	8 St Jame's Square, London, SW1Y 4JU	10,000.00
Kiera MacDonald	80 Kensington Church Street, London, W8 4BY	2,581.78
Les Mills Fitness UK Limited	1 Alie Street, London, E1 8DE	237.43
Leisure Jobs.com	Unit 12 - 14, Cloisters House, 8 Battersea Park Road, London, SW8 4BG	2,071.00
London Borough of Tower Hamlets	Tower Hamlets Council, Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG	41,467.87
Levy Coles Limited	59 Rock Hill, Chipping Norton, England, OX7 5BA	3,053.81
Montague Lloyd	North Main Street, Carronshore Falkirk, Stirlingshire, FK2 8HT	622.58
Mfitness	Unit 3, The Old Chapel, Denbigh Road, Hendre Mold, CH7 5QL	2,324.66
Microsoft	Atrium Building Block B, Carmanhall Road, Sandy Industrial Estate, Dublin 18, Ireland	33.77
Mood Media Ltd	West House, 46 High Street, Orpington, Kent, BR6 0JQ	233.98
Natwest	RBS Group, Business Insolvency, Ground Floor, Cyan Building, PO Box 569, Adwick Park, Manvers Rotherham S63 3	50,000.00
Nomical Ltd	Moss Bridge Road, Rochdale, Lancashire, OL16 5LX	3,635.87
PPL PRS	Mercury Place, St. George Street, Leicester, LE1 1QG	3,445.72
Positive Energy	7th Floor, Wellington House, 90-92 Butt Road, Colchester, Essex CO3 3DA	Uncertain
Pretzel Films Ltd	2 Bermondsey Exchange, 179 -181 Bermondsey Street, London, SE1 3UW	2,624.60
PRS for Music	2 Pacras Square, London, N1 4AG	8,530.30
Paola's Bodybarre	68 Rosaline Road, Fulham, London, SW6 7QT	1,014.00
Popuppractice	Uncertain	439.68
Return On Digital	Riverview, Blackfriars House, Parsonage, Manchester, M3 2JA	11,871.25
Sign & Lighting Innovations	A1 Designs, 4 Sandy Lane North, Wallington, Surrey, SM6 8JX	1,525.85
Technogym UK	Two The Boulevard, Cain Road, Bracknell, RG12 1WP	231,000.00
The Rocket Science Group LLC	675 Ponce De Leon Ave NE, Suite 5000, Atlanta, GA 30308 USA	58.57
Thomond	First Floor, 17 Heathmans Road, London, SW6 4TJ	3,077.73
Total Vibration Solutions	Low Bay, Carrs Industrial Estate, Commerce Street, Haslingden, Lancashire BB4 5JT	9,687.68
Two Twenty Seven London Ltd	29 Brook Mews North, Paddington, London, W2 3BW	7,969.18
V-Seen Limited	22 - 23 Little Portland Street, London, W1W 8BU	12,662.67
WT Interiors Ltd	11 St Albans Road, Sutton, SM1 2JG	232,550.29
Jonathan White	21 Royal View, Victoria Bridge Road, Bath, BA2 3GG	2,462.19
		758,618.42
Landlord		
Marks and Spencer plc	c/o Hartnell Taylor Cook, Somerset House, 18 Canynge Road, Clifton, Bristol BS8 3JX	417,877.65*
*It is anticipated that the landlord, will set-off a rent deposit held in the sum of £305,000 against the arrears estimated at £417,877.		
Crown		
HM Revenue & Customs (balance from CVA)	EIS Newcastle, BX9 1SR	10,380.24
HM Revenue & Customs (PAYE/NIC)	EIS Newcastle, BX9 1SR	17,845.98
HM Revenue & Customs (VAT)	EIS Newcastle, BX9 1SR	2,831.73
		31,057.95

A - UNSECURED CREDITORS

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>
<u>Shareholder Loans</u>		
Sergey Gulyaev	Shamsheva Street, 14 App 30, St Petersburg	1,257,051.00
Evgenia Korolova	27 Anhalt Road, London, SW11 4NZ	1,494,827.00
Vadim Koroleva	27 Anhalt Road, London, SW11 4NZ	2,848,122.00
		<u>5,600,000.00</u>
<u>Employees</u>		
13 employees with claims totalling		<u>19,018.26</u>

ONE LDN LTD
ESTIMATED STATEMENT OF AFFAIRS AS AT 30 MARCH 2021

SHAREHOLDERS

<u>NAME</u>	<u>ADDRESS</u>	<u>Type</u>	<u>Nominal Value</u>	<u>No. of Shares</u>	<u>Called up</u>	<u>Paid Up</u>
Sergey Gulyaev	Shamsheva Street, 14 App 30, St Petersburg	Ordinary	1.0000	50	50	50
Evgenia Koroleva	27 Anhalt Road, London, SW11 4NZ	Ordinary	1.0000	25	25	25
Vadim Korolev	27 Anhalt Road, London, SW11 4NZ	Ordinary	1.0000	25	25	25
Total				100	100	100

**ESTIMATED OUTCOME STATEMENT –
COMPARISON BETWEEN LIQUIDATION AND
PROPOSED ADMINISTRATION SALE**

ONE LDN LTD**ESTIMATED OUTCOME STATEMENT COMPARISON BETWEEN LIQUIDATION****AND PROPOSED ADMINISTRATION SALE**

	<u>Liquidation (SoA)</u>		<u>Proposed Administration Sale</u>	
	£	£	£	£
<u>Assets Realisations</u>				
Lease	0		82,333	
Plant & Machinery	7,545		30,830	
Office and Kitchen Furniture & Equipment	580		3,245	
Website and Domain	0		6,000	
Goodwill	0		12,592	
VAT Recovery on Rent Deposit	0		25,000	
		8,125		160,000
<u>Total</u>		8,125		160,000
<u>Less: Estimated Costs</u>				
Costs of Liquidation	20,000		-	
Costs of Administration	-		100,000	
		(20,000)		(100,000)
<u>Estimated surplus available to Preferential Creditors</u>		Nil		60,000
<u>Preferential Creditors</u>				
Primary - Employees' Preferential Claims	5,369		0	
Secondary - HM Revenue & Customs	25,934		25,934	
		(31,303)		(25,934)
<u>Estimated surplus available to Unsecured Creditors</u>		Nil		34,066
<u>Unsecured Creditors</u>				
Landlord	112,877		112,877	
Trade and Expense Creditors	758,618		758,618	
HM Revenue & Customs	5,124		5,124	
Shareholder Loans	4,900,000		4,900,000	
Employees' unsecured claims	13,650		0	
<u>Total</u>		(5,790,269)		(5,776,619)
<u>Estimate shortfall to unsecured creditors</u>		(5,790,269)		(5,742,553)
<u>Estimated dividend to unsecured creditors</u>				
Pence in the £		Nil		0.6

REMUNERATION AND EXPENSES

Total time spent to 10 May 2021 on this assignment amounts to 162.3 hours at an average composite rate of £400.35 per hour resulting in total time costs to 10 May 2021 of £64,977.50.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor's charging policy
- ☐ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ The Administrators' fees estimate
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- ❑ Internal meeting room usage for the purpose of any physical meetings of creditors is charged at the rate of £150 per meeting;
- ❑ Car mileage is charged at the rate of 45 pence per mile;
- ❑ Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Finchley office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 March 2019 – until further notice
Consultant/Partner	645
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: One LDN Ltd

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Stephen Katz and Asher Miller

DATE OF APPOINTMENT: 30 March 2021

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

The pre-appointment engagement letter was entered into prior to David Rubin & Partners ("DRP") becoming part of Begbies Traynor's corporate recovery and insolvency practice on 17 March 2021. Accordingly the charge out rates applicable to the pre-administration time costs are that set out within the original DRP engagement letter, which are repeated as follows:

	£
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Details of the work carried out by the Joint Administrators and their staff prior to appointment are set out in Section 9 above.

1.4 Complexity of work undertaken prior to appointment

Pre-appointment work conducted was primarily of an advisory nature, and consequently the time-costs incurred were predominantly at partner and senior manager level.

1.5 Exceptional responsibilities

There were no exceptional responsibilities in relation to the pre-appointment work.

1.6 The proposed Administrators' effectiveness

As outlined in Section 9 above, the work carried out prior to our appointment enabled an appropriate strategy - centered around preservation of the ongoing trading value of the business in order to maximise potential realisations for the estate - to be put in place before the appointment taking effect. The strategy formulated pre-appointment ensured that the purpose of the administration could be achieved.

1.7 The views of the creditors

The Joint Administrators were not in a position to obtain the views of creditors prior to accepting the appointment.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The Joint Administrators are seeking a resolution in relation to their pre-administration costs as follows:

- that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

No Category 2 Disbursements were incurred by the Joint Administrators prior to their appointment.

1.10 Staffing and management

It was decided that two licensed insolvency practitioners, Stephen Katz and Asher Miller, would accept the appointment as Joint Administrators, and that a Senior Manager, Matthew Hull, would assist with the day-to-day running of the administration with his team.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor's policy for charging fees and expenses incurred by office holders is provided above. This includes the rates charged by the various grades of staff who may work on a case.

ONE LDN LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COSTS

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Administration, Strategy and Planning							
IPS set up & maintenance	00:00	00:00	01:24	00:00	01:24	413.00	295.00
Case planning, strategy & control	05:48	14:42	04:00	00:00	24:30	9,857.50	402.35
Accounting & Cashiering	00:00	00:00	00:00	00:06	00:06	15.00	150.00
Creditors							
Unsec'd Creditors: correspondence & claims	00:00	00:00	00:48	00:00	00:48	236.00	295.00
Preferential creditors & employees	00:00	00:00	00:30	00:00	00:30	147.50	295.00
Total hours and costs	05:48	14:42	06:42	00:06	27:18	10,669.00	390.81

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbles-traynorgroup.com/work-details>

Within the main body of this report, we have provided a detailed overview of the work carried out since our appointment. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the appointment. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of maximising recoveries for the benefit of the creditors generally. Full details of the work conducted to date in this regard are provided at Section 6 of this report.

Trading

The Company has continued to trade in administration, with the gym formally reopening on 12 April 2021 upon the lifting of the government mandated restrictions on the operation of gyms during the latest pandemic lockdown.

Time charged to "Trading" relates to all necessary tasks involved with the day-to-day running of the business, and a detailed summary of the work undertaken in relation to trading is included within Section 6 of this report.

Dealing with all creditors' claims (including employees), correspondence and distributions

We have dealt with ongoing queries from creditors, and have taken steps to lodge all claims received to date. We will continue to deal with all creditor correspondence in a timely manner throughout the period of the administration.

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. In this case we have both preferential and unsecured creditor claims in the estate, which will be reviewed at the appropriate time.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, we will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Time Costs Analysis

An analysis of time costs for the period from appointment to 10 May 2021 is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Future work under this heading will include:

- Regular meetings between the office holders and case team in order to ensure appropriate case progression and future strategy in the context of the statutory purpose.
- Maintaining adequate records to demonstrate how the case is administered and continuing to document key decisions taken during the course of the appointment.
- Performing relevant compliance reviews, internal checklist updates and period case reviews.

Whilst this work will not benefit creditors financially, it is required in order to ensure efficient progress of the case and is required in accordance with statutory and best practice guidelines, and by our regulatory body.

Compliance with the Insolvency Act, Rules and best practice

During the course of the appointment, we are required to adhere to a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, ensuring work is carried out to high professional standards.

The statutory and regulatory obligations relevant to future work include the following:

- The filing of various documents pertaining to the appointment with the Registrar of Companies and the Court.
- Preparation and circulation of interim progress reports on a six monthly basis in order to provide updates to creditors on the progression of the case.
- Should the initial period of the administration require extension, obtaining consent from the relevant classes of creditors or lodging an application with the Court.
- Preparation and circulation of a final account and progress report once the administration has reached its conclusion.
- Ensuring the case remains adequately bonded pursuant to requisite regulations.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's

bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate, creditors or other parties may be asked to come forward with information.

These investigations, which have not yet been conducted, may uncover possible actions which could be brought for the benefit of creditors. Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Future work to be conducted in respect of the realisation of the Company's assets will include the following:

- Reviewing and executing the contract for the sale of the business and assets and ensuring that exchange takes place as soon as possible;
- Dealing with execution of the lease assignment, and engage with the Purchaser to ensure a smooth transition of the assets, staff, customers and systems of the business at the relevant time;
- Monitoring the position of the purchaser and ensuring the deferred element of the sale consideration is received in full and on time each month.

This work will be required in order to secure the asset sale consideration for the benefit of the Company's creditors.

Trading

The Company is continuing to trade in administration, and it is anticipated that this will be the case until at least June 2021 whilst the requisite sale and assignment documentation pertaining to the proposed sale is concluded. Consequently, continued overseeing of trading will be required from the case team, with this work including but not limited to:

- the preparation of appropriate trading accounts and cash flow forecasts
- monitoring of sales receipts
- reviewing and approving supplier invoices
- processing payments for all necessary trading expenditure and monthly payroll
- working with management to deal with miscellaneous issues arising on a day-to-day basis

Dealing with all creditors' claims (including employees), correspondence and distributions

There will be an ongoing requirement to engage with creditors, lodge claims in the estate when received and deal with general queries.

Insolvency legislation requires creditors' claims to be adjudicated before any distribution can be made. In this regard, once funds become available to facilitate a distribution to secondary preferential creditors, claims will be adjudicated and agreed, with a distribution processed either during the course of the administration or subsequent liquidation.

In the event that, as envisaged, recoveries will be of a sufficient level to facilitate a general distribution to unsecured non-preferential creditors, we will establish in principle the claims of unsecured creditors in preparation for a distribution during any subsequent liquidation. It will be necessary to obtain copy documentation from the CVA Supervisors as to claims lodged in the CVA, given that these claims will now fall within the administration.

How much will this further work cost?

As detailed in the fee estimate attached at Appendix 3, we estimate that total time costs for the duration of the administration will total £86,430. Please be advised that this is just an estimate based upon the time spent on similar historic cases.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached later in this Appendix.

SIP9 ONE LDN Ltd - Administration - 23O831.ADM : Time Costs Analysis From 30/03/2021 To 10/05/2021

Staff Grade		Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jur Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning			6.1	4.5		0.5				11.1	4,606.50	415.00
	Administration			2.2			1.2				3.4	1,316.00	387.06
	Total for General Case Administration and Planning			8.3	4.5		1.7				14.5	5,922.50	408.48
Compliance with the Insolvency Act, Rules and best practice	Appointment			0.9	3.7		15.1				19.7	6,251.50	317.34
	Banking and Bonding			0.5			0.8			6.1	9.4	1,765.00	187.77
	Case Closure												0.00
	Statutory reporting and statement of affairs	0.8		12.7			2.8				16.3	6,916.00	424.29
	Total for Compliance with the Insolvency Act, Rules and best practice	0.8		14.1	3.7		18.7			6.1	45.4	14,932.50	328.91
Investigations	CDDA and Investigations						4.0				4.0	1,160.00	290.00
	Total for Investigations						4.0				4.0	1,160.00	290.00
Realisation of assets	Debt collection						2.7				2.7	783.00	290.00
	Property, business and asset sales	11.9		2.4	0.6						14.9	8,773.50	588.83
	Retention of Title/Third party assets	3.5									3.5	2,257.50	645.00
	Total for Realisation of assets	15.4		2.4	0.6		2.7				21.1	11,814.00	559.91
Trading	Trading	13.9		22.2			24.3				60.4	25,405.50	420.62
	Total for Trading	13.9		22.2			24.3				60.4	25,405.50	420.62
Dealing with all creditors claims (including employees), correspondence and distributions	Secured							0.2			0.2	44.00	220.00
	Others	0.6		2.2	3.1		10.8				16.7	5,699.00	341.26
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.6		2.2	3.1		10.8	0.2			16.9	5,743.00	339.82
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax												0.00
	Litigation												0.00
	Total for Other matters												0.00
	Total hours by staff grade:	30.7		49.2	11.9		62.2	0.2		6.1	162.3		
	Total time cost by staff grade:	19,216.50		22,968.00	4,700.50		18,055.50	44.00		1,313.00		64,977.50	
	Average hourly rate £:	625.94	0.00	440.00	395.00	0.00	290.28	220.00	0.00	162.10			400.35
	Total fees drawn to date £:											0.00	

ONE LDN LTD

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	16	6,850	428.13
Compliance with the Insolvency Act, Rules and best practice	42	15,890	378.33
Investigations	6	2,395	399.17
Realisation of assets	38	19,400	510.53
Trading	73	31,650	433.56
Dealing with all creditors' claims (including employees), correspondence and distributions	20	7,410	370.50
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	7	2,835	405
Total hours	202		
Total time costs		86,430	
Overall average hourly rate £			427.87

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation in the letter accompanying this fee estimate

Arriving at our fee estimates

The cost of the process at this early stage is uncertain, but the fee estimate that I have produced provide a general overview of the likely costs

The estimates are produced by looking at historical cases of a similar nature, (asset value, number of creditors, case type and staffing levels). The estimates are then made case specific by considering the depth of investigations needed, whether significant time will be spent on adjudicating claims etc.

As the case progresses it may become apparent that the initial fees estimate will be exceeded, for example if any unforeseen circumstances arise which result in additional and unexpected costs being incurred. If this scenario occurs, we will seek creditor approval of a further fees estimate, providing full details of the circumstances at the time.

A summary of the work to be undertaken in the Administration is detailed within the time costs analysis above.

There are certain other matters which we may have to deal with which are not evident or foreseeable at the outset of the Administration. I am unable to seek approval to fix remuneration for any work unless and until the nature of any such work has been identified and the work involved can be quantified. If this scenario should occur, I will revert to creditors, providing full details of the circumstances at the time, to seek creditor approval of a further fees estimate.

Instances and explanations of the such work that might fall under this category are provided on our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 14 May 2021

ONE LDN LTD

**DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY
TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION**

No.	Type of expense	Description	Estimate (ex VAT) £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	99
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	190
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy.	5,700
4.	Storage and archiving costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	400
5.	Asset agent's valuation and sale fees and disbursements	The fees of the agents instructed to assist the Insolvency Practitioners with assessment, marketing and sale of the Company's business and assets.	10,000
6.	Legal fees and disbursements	The fees of solicitors instructed to assist the Insolvency Practitioner with preparation of requisite asset sale and lease assignment documentation, and their anticipated disbursements	10,000
7.	Costs of preparation of the Statement of Affairs	Begbies Traynor's time-costs incurred in preparing a draft Statement of Affairs upon request of the director.	1,320
8.	Travel	Travel costs incurred by the Insolvency Practitioners and their staff in travelling to the Company's premises or to meetings regarding the case.	200
9.	Trading expenses	All expenses payable in the ordinary course of trading the business, including suppliers, payroll, utilities, maintenance, systems, payment processing charges and any other miscellaneous expenses.	Uncertain (dependent on duration of trading period)

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.