



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

### 1 Company details

Company number 0 9 3 7 6 1 1 4

Company name in full Gate Ventures Plc

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Simon James

Surname Bonney

### 3 Administrator's address

Building name/number High Holborn House

Street 52-54 High Holborn

Post town London

County/Region

Postcode W C 1 V 6 R L

Country

### 4 Administrator's name ①

Full forename(s) Michael

Surname Kiely

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number High Holborn House

Street 52-54 High Holborn

Post town London

County/Region

Postcode W C 1 V 6 R L

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**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 **Sian Stokes**

Company name **Quantuma Advisory Limited**

Address **High Holborn House**

**52-54 High Holborn**

Post town **London**

County/Region

Postcode **W C 1 V 6 R L**

Country

DX

Telephone **020 3856 6720**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Brian

Surname

Baker

## 3 Insolvency practitioner's address

Building name/number

Devonshire House

Street

60 Goswell Road

Post town

LONDON

County/Region

Postcode

E C 1 M 7 A D

Country

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# Gate Ventures Plc

(In Administration)

**("the Company")**

In the Business and Property Courts in England & Wales, Court Reference CR-2019-007224

## **THE JOINT ADMINISTRATORS' PROGRESS REPORT FOR THE PERIOD 13 SEPTEMBER 2020 TO 12 MARCH 2021**

11 April 2021

This report has been prepared for the sole purpose of updating the creditors for information purposes. 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Simon Bonney and Michael Kiely of Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL and Brian Baker of Moore Kingston Smith & Partners LLP, Devonshire House, 60 Goswell Road, London, WC1M 7AD were appointed Joint Administrators of Gate Ventures Plc on 13 March 2020.

The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Both Simon Bonney and Michael Kiely are licensed to act as Insolvency Practitioners by the Insolvency Practitioners Association and Brian Baker is licenced to act as an Insolvency Practitioner by the ICAEW.

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## ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986, as amended
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Administrators"	Simon Bonney and Michael Kiely of Quantuma Advisory Limited and Brian Baker of Moore Kingston Smith & Partners LLP
"the Company"	Gate Ventures Plc (In Administration)
"the Court"	Business and Property Courts in England & Wales, Court Reference CR-2019-007224
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 13 September 2020 to 12 March 2021

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## INTRODUCTION

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our last report to creditors dated 12 October 2020.

Please be aware that on 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited.

Given the information previously provided to creditors in our earlier report to creditors, we have not included detailed background information in respect of the Company and have focussed on progress of the Administration subsequent to that report.

The Joint Administrators' proposals were approved on 22 May 2020. A formal notice confirming this was sent to all creditors on 31 May 2020.

An extension to the period of Administration of 12 months was granted by the relevant creditors on 10 February 2021 and thus the Administration is now scheduled to end on 11 March 2022.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

Details of the appointment of the Joint Administrators

Simon Bonney and Michael Kiely of Quantuma Advisory Limited and Brian Baker of Moore Kingston Smith & Partners LLP were appointed Joint Administrators of the Company on 13 March 2020.

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

## PROGRESS OF THE ADMINISTRATION

### **The Joint Administrators' receipts and payments account**

Attached at Appendix 2 is a receipts and payments account for the Review Period together with a summary of the transactions in the previous review period.

The rest of this report describes the key developments in the Administration over the Review Period.

For a detailed list of work undertaken by the Joint Administrators during the Review Period, see Appendix 4.

We have also summarised the main asset realisations during the Review Period and provided an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

### **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately. The Company is currently in a VAT reclaimable position of £25,119.12 which has been reclaimed outside of the Review Period.

### **Administrative, Statutory & Regulatory Tasks**

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

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During the Review Period, primarily these tasks have included:

- Drafting and issuing the progress report to creditors;
- Considering whether an extension to the Administration is necessary and, if so, seeking approval for this via creditors or the court and issuing notice of the outcome;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

Realisation of assets during the Review Period

#### Contribution to Costs of the Administration by GNET Tech Holdings Limited

During the Review Period a funding agreement was agreed between the Company and GNET Tech Holdings Limited to enable the Joint Administrators to meet funding requirements relating to their third party costs associated with investigating the affairs of the Company and its asset position and to pay any other trading expenses of the Administration (including the Joint Administrators' remuneration and expenses).

The funding agreement is capped at £200,000.00. During the Review period £50,000 was received. £150,000 has been received from GNET Tech Holdings Limited in total.

Remaining assets expected to be realised

This report should be read in conjunction with previous reports.

#### Investments

##### *Playjam Holdings Limited ("Playjam") and Ensygnia Ltd ("Ensygnia")*

Playjam provided software for set-top boxes and smart TVs whilst Ensygnia provided the secure payment portal for app purchases.

We are advised that Playjam didn't get enough traction in the market despite a good product which meant they ran out of funds. This also impacted on Ensygnia as their product was imbedded.

Ensygnia's contracts are with substantial entities such as Barclaycard, but are on hold due to COVID.

It is uncertain at this time whether the Ensygnia shares will have any future value but we believe that the Playjam shares have little or no value.

##### *Loyalty Angels Limited ("Bink")*

The Company made an investment of circa £800k in Bink, a privately held company in the customer rewards sector. During the previous review period it was established that the



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Company has 93,062 investment B shares in Bink. Current information suggests that this investment may have increased in value.

The Joint Administrators have been engaged with our corporate finance colleagues to assess the value and potential realisation of this asset and continue to take steps to maximise value from this investment.

A sale and purchase agreement in relation to a disposal of 10,000 shares is currently being finalised and it is expected that the sale will complete in the coming weeks. Once this is completed, we will assess the viability of a further disposal of shares.

#### *Infinity House Productions Limited ("Infinity HP")*

Creditors may recall that this was an investment where the funds were transferred to the wrong company. Prior to our appointment the Company had taken limited steps to recover funds but were unsuccessful.

Gate Reality Ltd was dissolved on 12 January 2021 and the Joint Administrators' are investigating the prospects of recovery from the Directors of that company and from third parties that were involved in the transaction.

#### *Infinity Creative Media Limited ("Infinity CM")*

The Company made an investment of £2.6m in Infinity CM which was subsequently revalued this investment at £1m due to the performance of Infinity CM.

It is not considered that there is any short term realisable value from this private shareholding but we continue to investigate the prospects of recovery.

#### *Koffi Designs Limited ("Koffi")*

The books and records of the Company indicate that Koffi was purchased to facilitate investments in the Chinese market. An investment of around £236,000 was made by the Company to meet the Koffi's expenses.

We do not believe that this investment has any inherent value and Koffi was dissolved in early 2020. The Joint Administrators have however located a frozen bank account for Koffi which is believed to be in credit by HK\$26,000. The Joint Administrators are in active correspondence with the bank in question in relation to releasing the funds to the Company as the shareholder.

#### *Rise Art Limited ("Rise")*

The Company made an investment of circa £1.3m in Rise Art Limited for a minority stake. Rise is a private company which rents and sells art online. The Joint Administrators have carried out an in-depth investigation into the circumstances surrounding the initial purchase of the Company's investment and the current position in relation to its continued ownership of the investment.

The stake in Rise appears to have been acquired through a combination of purchasing some shares directly from Rise and a significant minority directly from an entity connected with one of the Directors of the Company. The price paid appears to exceed the total share premium value of Rise. We continue to investigate the circumstances surrounding the purchase of those shares and to what extent those connected party transactions were disclosed (or were required to be disclosed) by the Directors of the Company to shareholders.

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We also continue to investigate the realisable value, if any, of the Company's remaining shareholding.

#### *Ginger & Moss Limited ("Ginger")*

This is a joint venture Company with the Duchess of York. It is understood that Ginger is proposing to sell a variety of items including tea, china and jewellery. However, the Company has not achieved material sales to date. Investigations are ongoing.

#### Loans

The Company has made a number of loans to different parties, a number of which were to parties associated with the Company. The amounts outstanding and the terms of those loans are currently being investigated including the circumstances surrounding the Company's decisions to enter into each loan and whether the Directors complied with their obligations regarding disclosure of those loans.

Further information as to these loans will be provided in due course once the outstanding balances have been finalised and any claims against the recipients considered.

#### Theatre Investments

##### Sunset Boulevard (Broadway)

As a result of the success of Sunset Boulevard in London, the Company also made an investment in Sunset Boulevard on Broadway. The Company borrowed US\$1m from a party connected to one of its directors in order to make the investment. The Company received a return of 65.16% of its US\$1m investment but we understand the original loan from the connected party was repaid in full. Investigations are ongoing.

##### 42<sup>nd</sup> Street

The Company made a further investment in the West End musical 42<sup>nd</sup> Street which was again produced by GradeLinnit. In total the Company invested £3.2m but made an overall loss in the region of £2.5m. The Joint Administrators are investigating a number of transactions with related parties, including the purchase of investments from connected parties when the ongoing finance performance of the production was known. Investigations are ongoing.

##### Woody Allen

The Company acquired the rights to the script of Being Woody Allen for £35,000 and it is understood that further related expenses of £18,000 were incurred. The name of the production was later changed to Being Groucho but did not develop into an active show. It is unlikely that this money will be recovered.

#### Film & Television Investments

The Company invested in two films, Fagara in Mara and Theory of Ambitions, in 2018. The quantum of the investment was circa \$2.6m and was for a minority stake in each film. It is understood that the investment in Fagara in Mara was purchased entirely from a connected party. A small distribution is expected from that film in the coming months although these

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distributions have been delayed. We are advised that the Theory of Ambitions has not been released at present.

#### Potential Claims

Whilst the role of Administrators appointed from Quantuma is to manage the Administration, realise the assets of the Company and investigate the majority of the Company's affairs, Brian Baker of Moore Kingston Smith was specifically appointed to investigate the merits of the alleged claims against Zheng Yongxiong, being the creditor whom made an application to court for the Company to be wound up.

These investigations have been progressed and Brian Baker shared his investigations report with Quantuma on 7 August 2020 which advised that further information has been requested of the directors. Kingston Smith have confirmed that the directors have not provided any of the information that has been requested to date.

There are a number of potential claims which are being considered by the Joint Administrators in relation to transactions of the Company which the Board caused it to enter into.

#### IT Equipment

Outside of the Review Period, an old Company computer (valued at £104) was sold (following a forensic imaging process to recover any files) to a former member of staff for £100. This will be reflected in the receipts and payments account for the next review period.

#### Payments

A list of payments made during the Review Period can be found at Appendix 2.

#### Costs incurred but remaining unpaid

The Joint Administrators' have incurred the following costs throughout the course of the Administration which remain unpaid:

Cost Description	Amount (Exc. VAT) (£)
Storage	15.75
TOTAL	15.75

During the Review Period, the Joint Administrators have also incurred time costs, not all of which have yet been discharged. Further details of these costs are set out later in this report.

### CREDITORS: CLAIMS AND DISTRIBUTIONS

#### Secured Creditors

The Company did not have any secured creditors.

#### Preferential creditors

The Joint Administrators and their staff have incurred time costs in assisting former employees to obtain payment from the Redundancy Payments Office.

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Preferential claims relate to accrued but unpaid holiday pay and arrears of wages. The majority of these claims (subject to statutory limits) are subrogated to the RPO which in turn will have a corresponding preferential claim against the Company. The balance of any unpaid preferential claims remain those of the employees and, should there be sufficient asset realisations to enable a preferential distribution, are paid directly to the employees from the Administration estate.

Preferential claims were estimated at £35,123.00 in the Director's Estimated Statement of Affairs. The Redundancy Payments Office are yet to submit their claim in the Administration and this is being actively chased.

The above does not include a claim for unpaid pension contributions, which has been confirmed by the Redundancy Payments Office as £1,749.46 and was paid to the pre-appointment pension providers on 11 February 2021.

It is anticipated that there may be sufficient asset realisations to enable a distribution to be paid to preferential creditors however the timing and quantum of the distribution remain uncertain.

#### Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this administration.

#### Unsecured Creditors

Unsecured claims were estimated at £4,098,461.00 in the Director's Estimated Statement of Affairs and to date 21 claims have been received from unsecured creditors totalling £5,099,272.53.

A dividend to unsecured creditors is likely, however the quantum of any distribution will be dependent on future asset realisations, the final costs of the Administration and the level of agreed claims.

#### Claims Process

Due to the possible distribution to unsecured creditors, if not done so already, you are requested to submit claims to the address on the front of this report, marked for the attention of Sian.Stokes@quantuma.com.

A Proof of Debt form is attached at Appendix 6.

### OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

#### Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 13 June 2020.

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## Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This review remains underway and the Joint Administrators are seeking legal advice as to their current findings. Specific details of the same cannot yet be disclosed so as to not jeopardise the outcome of the investigation. A further update will be provided to creditors in due course.

Should creditors have any information in relation to the above which you feel we should be made aware of, please contact us as a matter of urgency.

## General Data Protection Legislation

In compliance with general data protection legislation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notice>.

## Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information>.

Information about this insolvency process may be found on the R3 website at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk).

## ETHICS

Please also be advised that Joint Administrator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

### General ethical considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

### Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

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## THE JOINT ADMINISTRATORS' FEES AND EXPENSES

A copy of 'A Creditors Guide to Administrators' Fees' effective from 6 April 2017, together with the firm's current schedule of charge-out rates and chargeable disbursements, may be found at <http://www.quantuma.com/guide/creditors-guide-fees>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request at no cost.

### **The Joint Administrators' Fees**

The bases of the Joint Administrators' fees were fixed on 22 May 2020 by the resolution of creditors as follows:

#### **Quantuma Advisory Limited**

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. (subject to (ii) and (iii) below), such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited at the time the work is performed (plus VAT). The standard hourly rates will be discounted to 80% and are proposed to be limited to £100,000 (plus VAT);
- (ii) 10% (plus VAT) of all gross asset realisations (excluding realisations under (iii) below); and
- (iii) In relation to claims against any party, including claims under any section of the Insolvency Act 1986 (as amended) or the Companies Act 2006, 18% (plus VAT) of gross recoveries.

#### **Moore Kingston Smith & Partners LLP**

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. Such time to be charged at the prevailing standard hourly charge out rates used by Moore Kingston Smith & Partners LLP at the time the work is performed (plus VAT).

In accordance with the above resolutions, fees totalling £115,513.74 plus VAT have been billed between Moore Kingston Smith & Partners LLP and Quantuma Advisory Limited, of which £107,013.74 plus VAT has been paid (£47,250 plus VAT of which was paid during the Review Period). The balance will be paid as and when funds allow.

We believe this case to be of high complexity with substantial work being required of the Joint Administrators' and their staff. These responsibilities are central to the contentious investigations that are ongoing into the Company's pre-appointment activity and its asset position.

#### **Comparison of Estimates**

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimates as follows. The fee estimate covered the period of the Administration.

For a detailed schedule of work undertaken by the Joint Administrators during the Review Period and for the period of the Administration as a whole, see Appendix 4. A detailed narrative list of the work undertaken during the Review Period is provided at Appendix 5.

Quantuma Advisory Limited

	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
Work category	No. of hours	Blended hourly rate £ per hour	Total fees £	No. of hours	Average hourly rate £ per hour	Total time costs £	No. of hours	Average hourly rate £ per hour	Total time costs £
Administration and Planning	72.50	344.57	24,981.00	137.20	388.29	53,273.00	137.20	388.29	53,273.00
Creditors	55.00	310.77	17,092.50	110.20	345.54	38,077.50	110.20	345.53	38,077.50
Investigations	178.60	418.11	74,674.50	363.20	457.60	166,199.50	363.20	457.60	166,199.50
Realisation of Assets	7.00	378.21	2,647.50	49.70	510.89	25,391.00	49.70	510.89	25,391.00
Cashiering	3.00	202.50	607.50	17.40	194.48	3,384.00	17.40	194.48	3,384.00
<b>TOTAL</b>	<b>316.10</b>	<b>379.64</b>	<b>120,003.00</b>	<b>677.70</b>	<b>422.50</b>	<b>286,325.00</b>	<b>677.70</b>	<b>422.50</b>	<b>286,325.00</b>

The expenses incurred to date by Quantuma Advisory Limited are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 Expenses:				
Legal Fees - Zhong Lun Law Firm Limited	Uncertain	0.00	0.00	
Other Legal Fees	Uncertain	0.00	0.00	Eversheds have recently been instructed to assist with the 42 <sup>nd</sup> Street investigations. Their time costs have been agreed at their standard hourly charge out rates plus disbursements and VAT. As the instruction fell outside of the Review Period, an update on their costs will be provided in the next report to creditors.
IT Costs	3,500.00	0.00	2,133.00	
Pension Agents' Fees	1,100.00	0.00	1,100.00*	
Digital Forensic Analysis Costs	2,500.00	0.00	1,409.67*	
Insurance	448.00	0.00	112.00	
Website Hosting	590.00	590.00	885.00	The website was kept live longer than anticipated to ensure that all stakeholders (particularly those in international jurisdictions) could access the same to be made aware of the Administration in addition to our written correspondence to them.
Statutory Advertising	423.00	0.00	169.20	
Couriers / Postage	250.00	0.00	182.25	
Storage	1,000.00	15.75*	347.24*	

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Bordereau	135.00	0.00	90.00	
Stationery	250.00	0.00	96.56*	
Category 2 Expenses:				
AML Search	12.00	0.00	0.00	
TOTAL	Uncertain	605.75	6,525.92	

Moore Kingston Smith & Partners LLP

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
	No. of hours	Blended hourly rate £ per hour	Total fees £	No. of hours	Average hourly rate £ per hour	Total time costs £	No. of hours	Average hourly rate £ per hour	Total time costs £
Administration and Planning	70.00	296.21	20,875.00	7.00	349.52	2,446.67	80.83	309.27	24,998.30
Creditors	4.00	275.00	1,100.00	0.25	375.00	93.75	4.08	387.25	1,580.00
Investigations	165.00	348.48	57,500.00	0.25	210.00	52.50	160.08	378.75	60,629.98
Realisation of Assets	4.00	275.00	1,100.00	0.08	416.63	33.33	0.75	311.11	233.33
Other	1.00	175.00	175.00	0.00	0.00	0.00	0.08	182.25	14.58
TOTAL	244.00	273.94	80,750.00	7.58	-	2,626.25	245.83	-	87,456.19

The expenses incurred to date by Moore Kingston Smith & Partners LLP are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 Expenses:				
Solicitors Fees - Stevens & Bolton LLP	15,000.00	0.00	14,469.00*	
Specific Penalty Bond	1,140.00	0.00	1,140.00	
Travel & Subsistence	500.00	0.00	0.00	
Category 2 Expenses:				
IP Licence Fee	125.00	0.00	125.00	
TOTAL	16,765.00	0.00	14,594.00	

\*Not yet paid in full.

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Quantuma Advisory Limited's current schedule of charge-out rates and chargeable



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disbursements referred to above. Creditors approved the payment of Category 2 disbursements on these bases on 22 May 2020.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fee estimates have been exceeded; and
- it is unknown whether the original expenses estimates are likely to be exceeded. This will be wholly dependent upon the requirement to involve solicitors in the investigations.

The main reasons why the fee estimates have been exceeded is due to the extensive investigations into the Company's asset position and pre-appointment affairs. However, given the limited realisations in this case to date, the Joint Administrators do not propose to draw fees in excess of the fees estimate at present. The Joint Administrators will review the position as regards fees when the prospects of realising the remaining assets become clearer.

#### Subcontracted Work

The Joint Administrators have not instructed and sub-contractors during the Review Period.

#### Payments to Associates

The Joint Administrators have not made any payments to associates during the Review Period.

#### **Creditors' rights to request information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

#### **Creditors' rights to challenge fees and/or expenses**

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

#### CONCLUSION

The Administration will continue in order to progress the Joint Administrators' investigations and to realise the Company's assets so that a distribution can be made to the Company's creditors. Should you have any queries in regard to any of the above please do not hesitate to contact Sian Stokes on 020 3856 6745 or by e-mail at [Sian.Stokes@quantuma.com](mailto:Sian.Stokes@quantuma.com).



Simon Bonney  
Joint Administrator

Licensed to act as an Insolvency Practitioner by the IPA.

The affairs, business and property of Gate Ventures Plc (In Administration) are managed by the Joint Administrators, who act as agents of the Company and without personal liability.

## GATE VENTURES PLC (IN ADMINISTRATION)

## STATUTORY INFORMATION

Company Name	Gate Ventures Plc
Previous Names	-
Proceedings	In Administration
Court	Business and Property Courts in England & Wales
Court Reference	CR-2019-007224
Date of Appointment	13 March 2020
Joint Administrators	Simon Bonney and Michael Kiely of Quantuma Advisory Limited High Holborn House, 52-54 High Holborn, London, WC1V 6RL  and  Brian Baker of Moore Kingston Smith & Partners LLP, Devonshire House, 60 Goswell Road, London, WC1M 7AD
Joint Administrators' functions	All functions, duties and powers may be exercised by either one or both of the Joint Administrators
Registered office address	c/o Quantuma Advisory Limited High Holborn House, 52-54 High Holborn, London, WC1V 6RL
Company Number	09376114
Incorporation Date	6 January 2015
Company Secretary	Filex Services Limited
Appointment by	The Court, following a creditors petition
Directors at date of Appointment	Lord Michael Ian Grade of Yarmouth Mr Michael Sidney Linnit Mr Geoffrey Stanton Morrow
Directors' Shareholdings	N/A

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APPENDIX 2

GATE VENTURES PLC (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' **RECEIPTS AND PAYMENTS ACCOUNT** AS AT 12 MARCH 2021

Gate Ventures Plc  
(In Administration)  
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 13/09/2020 To 12/03/2021 £	From 13/03/2020 To 12/03/2021 £
<b>RECEIPTS</b>			
Contribution to Costs - GNET		50,000.00	150,000.00
Cash at Bank		0.00	703.14
Bank Interest Gross		0.40	0.75
Investments	7,324,621.00	0.00	0.00
IHP Receivable	27,600.00	0.00	0.00
vVoosh Loan & Interest	27,362.00	0.00	0.00
Other Receivables	482,533.00	0.00	0.00
Subscription Receivable - Zheng USD	8,064,260.00	0.00	0.00
Subscription Receivable - Gong USD	2,500,000.00	0.00	0.00
		<u>50,000.40</u>	<u>150,703.89</u>
<b>PAYMENTS</b>			
Bank Interest Gross		0.00	0.13
Specific Bond		90.00	215.00
Legal Disbursements - Stevens & Bolton		0.00	5,287.50
Legal Fees - Stevens & Bolton		0.00	7,212.50
Office Holders Fees		47,250.00	107,013.74
Website Hosting		590.00	885.00
IT Costs - Investigations		2,133.00	2,133.00
Stationery		11.70	11.70
Postage		182.25	182.25
AML Search Fee		12.00	12.00
Storage Costs		300.25	300.25
Statutory Advertising		84.60	169.20
Agents' Fees - Pensions		500.00	500.00
Travel		410.50	410.50
Insurance		0.00	1,252.00
Employee Arrears/Hol Pay	(35,123.00)	0.00	0.00
Trade & Expense Creditors	(4,098,461.00)	0.00	0.00
Ordinary Shareholders	(24,566,426.00)	0.00	0.00
		<u>51,564.30</u>	<u>125,584.77</u>
Net Receipts/(Payments)		<u>(1,563.90)</u>	<u>25,119.12</u>
<b>MADE UP AS FOLLOWS</b>			
Bank 1 Current		(11,876.76)	24.59
VAT Receivable / (Payable)		10,312.86	25,094.53
		<u>(1,563.90)</u>	<u>25,119.12</u>

GATE VENTURES PLC (IN ADMINISTRATION)

SCHEDULE OF THE JOINT ADMINISTRATORS' **TIMECOSTS DURING THE REVIEW PERIOD** AND  
THE WHOLE PERIOD OF THE ADMINISTRATION

# Time Entry - SIP9 Time & Cost Summary

6004458 - Gate Ventures Plc  
Project Code: POST  
From: 13/09/2019 To: 12/03/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	65.10	16.50	44.60	11.00	137.20	53,273.00	388.29
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	8.50	8.90	17.40	3,384.00	194.48
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	27.70	17.90	62.60	2.00	110.20	38,077.50	345.53
Investigations	305.60	25.80	29.20	2.60	363.20	166,199.50	457.60
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	41.60	3.10	3.10	1.90	49.70	25,391.00	510.89
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	440.00	63.30	148.00	26.40	677.70	286,325.00	422.50
Total Fees Claimed						60,000.00	
Total Disbursements Claimed						3,690.47	

# Time Entry - SIP9 Time & Cost Summary

## Category 2 Disbursements

6004458 - Gate Ventures Plc  
Project Code: POST  
From: 13/09/2019 To: 12/03/2021

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Disbursement Category	Amount
08/04/2020	AML Electronic Identification Search: Vistra search	Category 2	3.00
20/04/2020	AML Electronic Identification Search: VISTRA search x 2	Category 2	6.00
07/05/2020	AML Electronic Identification Search: Vistra search	Category 2	3.00
07/05/2020	Stationery: Stationery during lockdown - Accurate Mailing	Category 2	8.50
01/06/2020	Stationery: Stationery during lockdown - Accurate Mailing	Category 2	3.20
Total			23.70

# Time Entry - SIP9 Time & Cost Summary

6004458 - Gate Ventures Plc  
Project Code: POST  
To: 12/03/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	65.10	16.50	44.60	11.00	137.20	53,273.00	388.29
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	8.50	8.90	17.40	3,384.00	194.48
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	27.70	17.90	62.60	2.00	110.20	38,077.50	345.53
Investigations	305.60	25.80	29.20	2.60	363.20	166,199.50	457.60
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	41.60	3.10	3.10	1.90	49.70	25,391.00	510.89
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	440.00	63.30	148.00	26.40	677.70	286,325.00	422.50
Total Fees Claimed						60,000.00	
Total Disbursements Claimed						3,690.47	



# Time Entry - SIP9 Time & Cost Summary

## Category 2 Disbursements

6004458 - Gate Ventures Plc  
Project Code: POST  
To: 12/03/2021

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Disbursement Category	Amount
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07/05/2020	Stationery: Stationery during lockdown - Accurate Mailing	Category 2	8.50
01/06/2020	Stationery: Stationery during lockdown - Accurate Mailing	Category 2	3.20
Total			23.70

## Gate Ventures Plc

### Summary of Fees and Expenses

From 13/09/2020 to 12/03/2021

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	2.83	2.17	2.00	7.00	2,446.67	349.52
Realisation of Assets		0.08		0.08	33.33	416.63
Creditors		0.25		0.25	93.75	375.00
Investigations			0.25	0.25	52.50	210.00
Grand Total:	2.83	2.50	2.25	7.58	2,626.25	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Moore Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

##### Category 1 Disbursements

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

##### Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows

## Gate Ventures Plc

### Summary of Fees and Expenses

From 13/03/2020 to 12/03/2021

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	31.00	13.00	36.83	80.83	24,998.30	309.27
Investigations	32.67	119.75	7.67	160.08	60,629.98	378.75
Creditors	0.75	3.33		4.08	1,580.00	387.25
Realisation of Assets		0.50	0.25	0.75	233.33	311.11
Other			0.08	0.08	14.58	182.25
Grand Total:	64.42	136.58	44.83	245.83	87,456.19	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Moore Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

Category 1 Disbursements 1,140.00

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

#### Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows

IPS Licence 125.00

125.00

## GATE VENTURES PLC (IN ADMINISTRATION)

## DETAILED NARRATIVE LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REVIEW PERIOD

Description of work undertaken	May include:
<u>ADMINISTRATION &amp; PLANNING</u>	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews every 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
<u>CREDITORS</u>	
ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Assisting employees to pursue claims via the RPO
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
<u>INVESTIGATIONS</u>	
Investigating & Pursuing Antecedent Transactions	
<u>REALISATION OF ASSETS</u>	
Debtors and Investments	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and arranging for reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff

Description of work undertaken	May include:
	Pursuing credit insurance claims Submitting VAT bad debt relief claims
Sale of Shares	
Monitoring Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
<u>CASHIERING</u>	
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House

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Current Charge-out Rates of the staff who have worked on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates may have been subject to periodic increase.

Grade of Staff	Charge out rate from 15 June 2020
CEO/Managing Director	£480.00 - £580.00
Appointment Taking Director	£400.00 - £500.00
Director	£370.00 - £475.00
Senior Manager	£340.00 – £415.00
Manager	£310.00 - £375.00
Assistant Manager	£275.00 – £335.00
Senior Administrator	£235.00 – £285.00
Administrator	£200.00 – £240.00
Assistant Administrator	£135.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00
Support Staff/Executive Assistant	£100.00 – £135.00

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GATE VENTURES PLC (IN ADMINISTRATION)

APPENDIX 5

PROOF OF DEBT FORM

PROOF OF DEBT - GENERAL FORM

Gate Ventures Plc (In Administration)

Date of Administration: 13 March 2020

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