

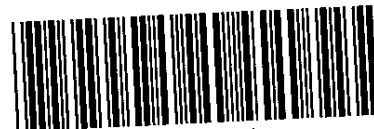
AM03

Notice of administrator's proposals



Companies House

SATURDAY



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29/02/2020
COMPANIES HOUSE

#382

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1 Company details

Company number 1 0 8 7 5 7 4 7
Company name in full Zombie Shows London Limited

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

2 Administrator's name

Full forename(s) Anthony
Surname Murphy

3 Administrator's address

Building name/number 20 Midtown
Street 20 Procter Street
Post town London
County/Region
Postcode W C 1 V 6 N X
Country

4 Administrator's name ①

Full forename(s)
Surname

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

5 Administrator's address ②

Building name/number
Street
Post town
County/Region
Postcode
Country

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

AM03

Notice of Administrator's Proposals

6

Statement of proposals



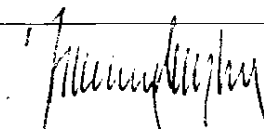
I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature
X



X

Signature date

^d2 ^d8

^m0

^m2

^y2

^y0

^y2

^y0

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	Anthony Murphy
Company name	Harrisons Business Recovery & Insolvency (London) Limited
Address	20 Midtown 20 Procter Street
Post town	London
County/Region	
Postcode	W C 1 V 6 N X
Country	
DX	
Telephone	0207 317 9160



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

Administrator's Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

**Zombie Shows London Limited -
In Administration**

"ZSL / the Company"

[Trading as - "*Variant 31*"]

28 February 2020

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

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- C** Summary of the Director's Statement of Affairs of the Company as at 9 January 2020
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ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

1 Introduction and Background

Structure and Funding

- 1.1 The Company was incorporated on 20 July 2017 and set up for the purpose of promoting and operating a theatre production of an interactive nature, based in the horror genre. The sole shareholder is Mr Dalton Dale, who is the creator of the show and a director of the Company. The show was marketed as "Variant 31".
- 1.2 The funding for ZSL was raised through an associated company, Big Dreamer Productions Limited ("BDP") which is also wholly owned and controlled by Mr Dale. ZSL entered into a Co-Production Agreement with BDP under which BDP provided the funding to the Company to create and produce the show, under licence . BDP retains the rights to the show and to the assets of the Company.
- 1.3 BDP raised monies through the show via investment agreements. The investors in BDP are not creditors of the Company

Trading

- 1.4 ZSL started to trade in terms of incurring pre- production costs in 2018. The main expenditure was in the preparation of the theatre to stage the Variant 31 show. This consisted of remodelling the theatre and incorporating the electronic package necessary to stage the production.
- 1.5 On 1 February 2019 Mr Nicholas Young was appointed as a director to assist with the financial control of the business.
- 1.6 The theatre was ready by September 2019 and opened to the public. Ticket sales were not as predicted and there were mixed reviews by the press. Mr Young resigned as a director on 23 September 2019.
- 1.7 The show was closed in October 2019 with a view to addressing certain technical issues and to reconsider the marketing strategy of the business. Mr Dale sought to raise further funding to relaunch the show. In the interim, Actioprima Limited ("Actioprima") provided a short term finance agreement, secured by way of a debenture (28 October 2019)containing fixed and floating charges over the assets of the Company, and an assignment over the debtors of ZSL.
- 1.8 The director sought to agree a delay in payment terms with creditors pending receipt of tax refunds and potential further new investment. In January 2020 a creditor issued a Winding Up Petition against ZSL.
- 1.9 As a result, Anthony Murphy of Harrisons Business Recovery & Insolvency (London) Limited, 20 Midtown, 20 Procter Street, London, WC1V 6NX was appointed Administrator of the Company by the Qualifying Floating Charge Holder - Actioprima -on 9 January 2020. Anthony Murphy is licensed to act as an insolvency practitioner in the UK by the ICAEW.
- 1.10 This firm's Privacy Notice about the way that we will use, and store personal data can be found at <https://harrisons.uk.com/privacy-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.11 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.12 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on **4 March 2020**.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

2 Administration Strategy and Objective

2.1 The Administrator must perform his functions with the purpose of achieving one of the following objectives:

- *Rescuing the Company as a going concern; or*
- *Achieving a better result for the Company's creditors than would be likely if the Company were wound up (without first being in Administration); or*
- *Realising property in order to make a distribution to one or more secured or preferential creditors.*

2.2 It was not possible to achieve the first or second objective for the following reasons:

- The show had closed some time prior to appointment, and in the absence of any source of funding, it was not possible to trade the business.
- The assets needed to operate the show were owned by BDP, it was therefore not possible to achieve the second purpose.

Therefore, the purpose of the Administration is the final objective, that is to realise property in order to make a distribution to a secured charge holder.

Consideration of Proposals by Creditors

2.3 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

- (a) The Company has enough property to enable each creditor of the Company to be paid in full,
- (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
- (c) The Company cannot be rescued as a going concern, or a better result than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

In this case, I do not think any of the above provisions apply and I am therefore required to seek approval from creditors to my Proposals.

Progress Since Appointment

Administration (including statutory compliance and reporting)

2.4 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any third party security or rights in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value (if any) in the Company's business and assets.

2.5 I have also dealt with several statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising my appointment in the London Gazette.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

2.6 Other statutory duties performed are outlined in further detail in the fees estimate/fees information] which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

2.7 This work includes: -

- Inputting and updating information on the Administrator's insolvency software (IPS).
- Notification of the Administrator's appointment to various stakeholders.
- General correspondence and meetings with the Director of the Company.
- Saving documents to the case file.
- Reading general correspondence.
- Filing correspondence.
- Completion of checklists.
- Adding and maintaining the case diary.
- Setting up administration bank accounts.
- Review and allocate resources amongst the Administrator's staff.
- Internal strategy meetings to discuss case progress and next steps.
- Case planning.
- Pension searches and notifying the Pensions Regulator, the Pension Protection Fund and the scheme Trustees of the Administrator's appointment.
- Advertising the Administrator's appointment in the London Gazette.
- Liaising with HMRC regarding PAYE, Corporation Tax and VAT.
- Liaising with the Company's staff regarding information required.
- Filing statutory notices at Companies House.
- Requesting the Director to complete a Statement of Affairs (" SoFA ").
- Liaising with the Director regarding the completion of the SoFA.
- Liaising with the Company's pre-appointment advisors, including bankers and accountants.
- Liaising with IT providers (where applicable).
- Drafting the Administrator's Report and Statement of Proposals.
- Liaising with PDT Solicitors regarding legal matters in the administration (where necessary)
- Bonding calculation.
- Issuing s120 pension notifications.
- General cashiering function, including:
 - i. Banking and bank account reconciliations.
 - ii. Arranging payment of administration expenses.
 - iii. Posting of receipts.
 - iv. Maintenance of cash book.

Realisation of assets

2.8 As noted above, because of the Co-Production Agreement with BDP, it was maintained that the tangible assets of the Company did not form part of the estate. I have asked my agents to value the assets. Because of the nature of the business (staging a show) the assets had either become part of the fabric of the building or were specific to the operation of the show. The advice from my agents was therefore that the tangible assets had at best a modest resale value and the costs of removal and sale could exceed recoveries.

2.9 The lease agreement is in significant arrears. Further, the premises have been substantially modified specifically to stage the production and has no other use. For these reasons, the lease has no value. As Administrator I have confirmed to the landlord that I have no interest in the lease and have not taken possession of the premises, nor gained access.

2.10 The granting of security and the assignment of the debtors to Actioprime effectively means that these assets are not claimed by BDP and are available for creditors of the Company.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

- 2.11 I have instructed the Company's accountants (Nyman Libson Paul- "NLP") to continue with their work to realise the tax refunds due to the Company. These were a VAT refund of £125,393 and a Theatre Tax Relief claim of £163,529.

VAT Refund & Theatre Tax Relief ("TTR")

- 2.12 Despite NLP's correspondence, HMRC inadvertently paid the VAT refund to BDP, rather than the Company. I believe that this was done under a pre-existing payment authority set up prior to my appointment and not corrected by HMRC before the payment was made.
- 2.13 Unfortunately, BDP's bank account was in overdraft at the time of receiving the VAT repayment. BDP's bank took the opportunity to pay down and close the overdraft of some £50,000. The balance of the VAT refund (some £75,400) was then repaid to the Administration. I have written to BDP demanding repayment and proposals to repay the £75,000.
- 2.14 In the event that these monies are not received before a dividend is paid to Unsecured Creditors, then any outstanding monies due from BDP will be deducted from any dividend BDP is entitled to receive. On the information currently available, the predicted range of dividends is such that these monies will be reclaimed in full from BDP.
- 2.15 NLP has submitted a TTR claim for £163,529. As at the time of this report, the refund had not been received.
- 2.16 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses, and further updates will be provided to creditors in my progress reports.
- 2.17 Further information on the estimated outcome of the Administration can be found in section 9 below.
- 2.18 Work carried out under this category includes:
- Review of the Co-Production Agreement with BDP.
 - Instructing agents to value the assets.
 - Liaising with the landlord
 - Instructing the Company's accountants to assist with realisation of the VAT Refund & TTR claim.
 - Liaising with BDP for the return of the balance of the VAT refund
 - Demanding the balance of funds from BDP
 -

Creditors

- 2.19 Work carried out under this category includes:
- Liaising with ZSL's secured creditor regarding its outstanding position.
 - Review of security documentation.
 - Updating creditors' listing and contact details
 - Considering possible claims against BDP rather than the Company
 - Consider possible retention of title claims.
 - Liaising with trade and expense creditors and responding to queries.
 - Uploading creditor / Cast member information to IPS.
 - Review of status and claims the Cast.
 - Liaising with the Redundancy Payments Services ("RPS") and setting up a case reference.
 - Holding a meeting with Equity Union representative regarding Cast members.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

- Liaising with the Employment Tribunal Service ("EPS") regarding Cast members' various claims.
 - Liaising with Cast members regarding their claims.
 - Review of Proof of Debt forms submitted by creditors and recording creditors' claims as per IPS.
- 2.20 Because of the mutual director position of BDP and the Company, and the closely mingled activity of both entities, there has been some debate as to where certain creditor claims rest. A number of creditors have lodged claims in the Administration and against BDP. The queries raised are not straightforward and will depend upon the circumstances of each claimant. I will review these claims with the creditors concerned to determine where the liability properly sits.
- 2.21 Cast: The Company has multiple claims from ex cast members, most of whom are represented by the union Equity. I have met with representatives of Equity who are assisting in collating their members' claims.
- 2.22 Ticket Sales: Prior to ceasing to trade, the Company presold tickets. I do not have a schedule nor details of those ticket sales but have been liaising with the payment agency concerned. The final level of claim will be unknown until all refunds have been processed. At this time, it is estimated that the total claim will be in the order of £45,000.
- 2.23 BDP: Given the nature of the funding of the business, the largest creditor in the Administration is BDP. I have received a claim for some £1.606 million from BDP.
- 2.24 Given the above matters, it is likely that the work required to agree creditor claims will be higher than normal for a case of this size.
- 2.25 **Investigations**
- 2.26 Work carried out under this category of work will include:
- Liaising with the Director regarding the books and records.
 - Reviewing creditors' responses to investigation questionnaires.
 - Requesting the Director to complete conduct questionnaires and review of completed questionnaires. Reviewing the completed return.
 - Requesting copies of the Company's bank statements and initial review.
 - SIP2 review and consideration of possible recovery actions.
 - Considering representations made by creditors

3 Administrator's Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to is attached at Appendix B.
- 3.2 As at the time of this report, the only realisation has been the balance of the VAT fund being £75,409.
- 3.3 Sundry (gross) interest of £8 has been received.
- 3.4 No payments have been made in the Administration.

4 Financial Position

- 4.1 Attached at Appendix C is a summary of the Director's Statement of Affairs of the Company as at 9 January 2020. This was verified by a Statement of Truth by Mr Dalton Dale on 26 February 2020.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

- 4.2 The Administrator would make the following observations:
- 4.2.1 The estimated to realise value for the VAT refund is £75,000, some £50,000 lower than book value. Creditors are directed to paragraphs 2.12 to 2.14 of this report, which explains the reason for this difference.
 - 4.2.2 It is anticipated that the £50,000 will be recovered by BDP, either directly or indirectly. We would refer creditors to Appendix F of this report and the estimated outcome to creditors.
- 4.3 All other figures included in the Directors' Statement of Affairs are either consistent with ZSL's books and records at the time of appointment, or based upon more up to date information provided post administration.

5 Proposals

- 5.1 It is proposed that the Administrator will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If having realised the assets of the Company, the Administrator thinks that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrator in the Administration and the Company will thereafter proceed to dissolution.
- 5.3 If, however, having realised the assets of the Company the Administrator thinks that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, he proposes filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (**CVL**) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL
- 5.4 Court approval is not required to enable the Administrator to make a distribution to the unsecured creditors of the Prescribed Part. If, however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrator may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.5 If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.6 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.7 The Administrator shall do all such other things and generally exercise all his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 5.8 If the Administrator considers it necessary to extend the period of the Administration, he will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrator's term of office be extended for a specified period determined by it.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

- 5.9 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration and disbursements and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.10 The basis of the Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him:
- As a percentage of the value of the assets he must deal with, or
 - By reference to time properly spent by the Administrator and his staff managing the Administration, or
 - As a set amount
- 5.11 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrator shall be fixed by a decision of creditors or, where the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5.12 In this case, the Administrator is seeking to approve the basis of his remuneration as follows:
- As a set amount for dealing with the general administration of the case, including statutory compliance and statutory reporting.
 - As a set amount for dealing with the initial statutory investigations into the conduct of the Directors of the Company.
 - By reference to the time properly spent by the Administrator and his staff in attending to all other matters arising in the administration.

Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

- 5.13 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period.
- 6.2 At the time of drafting these Proposals I believe that an extension to the period of Administration may be necessary. I will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Creditors Voluntary Liquidation

- 6.3 Based on present information, the Administrator *thinks a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part*. As a result, the Administrator will either make an application to Court to enable him to make a distribution to unsecured creditors in the Administration or he will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (**CVL**) to facilitate this distribution. It is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator of the CVL.
- 6.4 Creditors have the right to nominate an alternative Liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrator prior to these proposals being approved. Where this occurs, the Administrator will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Liquidator of the subsequent CVL.

Dissolution of the Company

- 6.5 In the event that the Company has insufficient property to permit a distribution to the unsecured creditors, and that there may only be a distribution available to the secured and/or preferential creditors of the Company, once these distributions have been made, a notice for the dissolution of the Company will be filed at Court and with the Registrar of Companies, together with the Administrator's final report.
- 6.6 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

- 6.7 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrator concludes that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, it is anticipated at this stage (but is not mandatory) that the Administrator will become the Liquidator in the subsequent liquidation.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and;
- (ii) expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.
- 7.3 Immediately prior to appointment, at the request of the charge holder, Harrisons undertook a brief review of the financial status of the Company to determine if there was an alternative strategy which would rescue the business rather than proceed by way of Administration. Once

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

it was apparent that Administration was inevitable, the work done was to ensure that the Company could be placed into Administration and that assets were safeguarded for the interim for the ultimate benefit of creditors.

7.4 The costs of this exercise are based on the time costs properly incurred in undertaking this work and have been agreed with the charge holder.

7.5 Pre-appointment fees charged, and expenses incurred by the Administrator are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Harrisons Business Recovery & Insolvency (London) Limited	Pre appointment time costs, details of which are set out below	£4,551 plus VAT	NIL	N/A	£4,551 plus VAT

7.6 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrator's proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

8 Administrator's Remuneration

8.1 As Administrator, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.

8.2 In addition to this, where an Administrator seeks agreement to the basis of his remuneration by reference to time properly spent by him and his staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

8.3 In this case, I am seeking to agree that my remuneration be based on a mixed fee basis, as follows:

8.3.1 A set amount of **£15,000** for the general administration of the case, including statutory compliance & reporting.

8.3.2 A set amount of **£5,000** for statutory investigations into the conduct of the former Directors.

8.3.3 Partly on the basis of time spent by the Administrator and his staff in dealing with all other matters in the administration, for an amount not exceeding **£45,044**.

8.4 My fees estimate and details of the work I propose to undertake in the Administration can be found at Appendix E and further information on the work done since my appointment to the date of this report can be found in section 2 of that Appendix.

8.5 Please note that where appropriate, the fees estimate may be to a stage of the case only and if I consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of my remuneration will be sought as outlined in section 5 of this report.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

- 8.6 For information, attached at Appendix D is a time matrix outlining the time spent by me and my staff for the period 9 January to 14 February 2020. This time is included within the overall fees estimate provided with this report.
- 8.7 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.
- 8.8 I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.
- 8.9 An Administrator may include details of the remuneration he anticipates will be charged and the expenses he anticipates will be incurred if he becomes the Liquidator in the subsequent CVL. This can be done when seeking approval to the basis of his remuneration as Administrator, or alternatively his fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.10 A copy of "A Creditors' Guide to Administrator's Fees" is available on request or can be downloaded from:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>.

If you prefer this to be sent to you in hard copy, please contact **Evgeny Khoruzhiy** of this office on **0207 7317 9160**.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 9 January 2020 is attached as Appendix F.
- 9.2 Actioprime should enjoy a full recovery.
- 9.3 Based on the Director's Statement of Affairs, there are no preferential creditors. The estimated value of unsecured, non-preferential creditors is £2,356,361.
- 9.4 It is anticipated that there will be a dividend distribution to the unsecured creditors. The timing and quantum of a dividend is currently uncertain, but is contingent on the level of recovery achieved for the Company's assets, and the final level of costs.

10 Proposals approval and next report

- 10.1 I am seeking a decision of creditors on the approval of my proposals by correspondence. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and I will report to you again at this time.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

For and on behalf of
Zombie Shows London Limited



Anthony Murphy
Administrator

Enc

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Appendix A

Statutory Information

11 Company information

Company name	Zombie Shows London Limited
Trading name(s)	None
Registered number	10875747
Registered office address	20 Midtown 20 Procter Street London WC1V 6NX
Former registered office address	C/O Theatreaccounts Limited The Oakley Kidderminster Road Droitwich, Worcestershire WR9 9AY
Trading address(s)	35-39 New Oxford Street
Court details	In The High Court of Justice
Court reference number	CR-2020-000107

12 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Dalton Dale	20 July 2017		100%
Nicholas Charles Anthony Young	1 February 2019	23 September 2019	-
Secretary			
Dalton Dale	20 July 2017		

13 Administrator's Details

Name of Administrator	Anthony Murphy
Address	20 Midtown 20 Procter Street London WC1V 6NX

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Telephone Number	0207 317 9160
Administrator's IP Number	8716
Authorising Body	ICAEW
Date of Appointment	9 January 2020

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 9 January 2020 to 28 February 2020

Zombie Shows London Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 09/01/2020 To 28/02/2020 £	From 09/01/2020 To 28/02/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	7.68	7.68
163,000.00	Theatre Tax Relief (TTR) claim	NIL	NIL
75,000.00	VAT Refund	75,409.23	75,409.23
		75,416.91	75,416.91
238,000.00		75,416.91	75,416.91
	REPRESENTED BY		
	Bank 2 - Current		75,416.91
			75,416.91

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Appendix C

Summary of the Director's Statement of Affairs of the Company as at 9 January 2020

ZOMBIE SHOWS LONDON LIMITED (IN ADMINISTRATION) - "the Company"

Summary of the Director's Statement of Affairs of the Company as at 9 January 2020

	£
<u>Assets subject to a pledge</u>	
VAT Reclaim	75,000
Theatre Tax Relief (TTR) claim	163,000
	<hr/> 238,000
Less: Due to Actioprime Limited	<hr/> (90,419)
Total assets available to unsecured creditors	147,581.00
Unsecured, non-preferential claims:	
Intercompany Debt	(1,606,350)
Cast Members' Payroll	(86,263)
Landlord	(199,000)
Trade & Expense Creditors	(473,894)
	<hr/> (2,365,507)
Estimated deficiency as regards creditors	(2,217,926)
Issued and called up capital	(1)
Estimated total deficiency as regards members	<u>(2,217,927)</u>

Note: these figures are before the costs of realisations.

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Appendix D

Time Analysis for the Period from 9 January 2020 to 14 February 2020

Time Entry - Detailed SIP9 Time & Cost Summary

ZOMBI001 - Zombie Shows London Limited
From: 09/01/2020 To: 14/02/2020
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 . Case planning	0.00	0.00	0.50	0.00	0.50	87.50	175.00
103 . Appointment notification	0.00	1.00	7.20	0.00	8.20	1,575.00	192.07
113 . Dealing with Directors	8.20	2.00	3.30	0.00	13.50	4,856.50	359.74
146 . Admin - P49 Report	6.60	0.00	0.80	0.00	7.40	3,077.00	415.81
180 . Bonding - Initial Bond Calculation	0.00	0.00	0.30	0.00	0.30	52.50	175.00
186 . Cashier - Receipts	0.00	0.00	1.00	0.60	1.60	259.00	161.88
Administration & Planning	14.80	3.00	13.10	0.60	31.50	9,907.50	314.52
600 Case Specific	0.00	0.00	0.40	0.00	0.40	70.00	175.00
Case specific matters	0.00	0.00	0.40	0.00	0.40	70.00	175.00
500 Creditors	18.20	0.00	8.20	0.30	26.70	9,634.00	360.82
501 Communication with creditors	0.00	3.60	2.70	0.50	6.80	1,656.50	243.60
504 Claims Trade and Expense	0.00	0.00	0.20	0.00	0.20	35.00	175.00
508 Secured Creditors	3.20	0.00	0.00	0.00	3.20	1,424.00	445.00
516 . Employee - Pref Claims (Wages/Hol)	0.00	0.00	0.40	0.00	0.40	70.00	175.00
Creditors	21.40	3.60	11.50	0.80	37.30	12,819.50	343.69
205 General Investigations	0.00	1.50	0.40	0.00	1.90	542.50	285.53
207 CDDA Report	1.70	0.00	0.20	3.50	5.40	1,141.50	211.39
Investigations	1.70	1.50	0.60	3.50	7.30	1,684.00	230.68
300 Realisation of assets	3.70	0.00	1.30	0.00	5.00	1,874.00	374.80
301 Ident. securing and insuring assets	0.00	1.00	0.00	0.00	1.00	315.00	315.00
303 Debt collection	3.30	0.00	0.00	0.00	3.30	1,468.50	445.00
307 Other Assets	0.00	0.70	0.00	0.00	0.70	220.50	315.00
311 Agents - Realisation of Assets	0.00	0.50	0.50	0.00	1.00	245.00	245.00
317 . Leases/Licences	0.10	0.00	0.00	0.00	0.10	44.50	445.00
319 Dealing with Landlords	0.30	0.00	0.00	0.00	0.30	133.50	445.00
Realisations of Assets	7.40	2.20	1.80	0.00	11.40	4,301.00	377.28
Total Hours	45.30	10.30	27.40	4.90	87.90	28,762.00	327.44
Total Fees Claimed						0.00	

Appendix E

Additional Information in Relation to Administrator's Fees

14 Fee Basis

- 14.1 The Administrator is seeking to agree the basis of his remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrator considers will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrator Report and Statement of Proposals at Section 2.
- 14.2 Where a time cost basis is being sought, the Administrator's fees estimate will be included in this information, which also provides details of the rates the Administrator and his staff propose to charge for each part of that work and the time he anticipates each part of that work will take.
- 14.3 The fees estimate is based on information about the Company's affairs available to the Administrator at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred, and it may be necessary to revise the Administrator's estimate of fees.

15 Expenses

- 15.1 Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. I will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Cost £
Taxation & accountancy services	Nyman Libson Paul	Time costs plus VAT	10,400
Agent's costs associated with chattel asset valuation	Lambert Smith Hampton	Fixed cost plus VAT	5,000
Legal fees and disbursements	PDT Solicitors	Time costs and disbursements at cost, plus VAT	3,000
Statutory advertising	London Gazette	Cost plus VAT	87
Administrator's bond	AUA Insolvency Risk Services	Cost	23
External storage of Company's books and records	Total Data Management	Cost plus VAT	200

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

16 Staff Allocation and the Use of Sub-Contractors

- 16.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 16.2 The constitution of the case team will usually consist of a Director, a Manager, and an Insolvency Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrator's remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 16.3 I am not proposing to utilise the services of any sub-contractors in this case.

17 Administrator's Disbursements

- 17.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 17.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.
- 17.3 The following Category 2 disbursements are currently charged by this firm:

Type and purpose	£
Photocopying	15p a sheet
Letterhead	12p a sheet
Fax	40p a sheet
Mileage	45p per mile
Meeting room	£50
Registered Office Fee	£60 per annum
Document Storage	Document charge of £3 per box per quarter

- 17.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements.

18 Charge-out Rates

- 18.1 Harrison's' current charge-out rates for this assignment effective from 1 July 2019 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Directors/Appointment Takers	425-750
Senior Managers/Associate Directors	250-425
Senior Case Supervisors/Managers	175-250
Case Supervisors	125-175
Assistants/Administration	100-125

ZOMBIE SHOWS LONDON LIMITED - IN ADMINISTRATION

Appendix F

Estimated Outcome Statement as at 9 January 2020

Zombie Shows London Limited (in Administration)

Estimated Outcome Statement

As at 9 January 2020

	£	£
Assets subject to a pledge		
VAT Reclaim		75,000
Associated Company Debt		50,000
Theatre Tax Relief (TTR) claim		163,000
		<u>288,000</u>
Less: Due to Actioprime Limited		<u>(90,419)</u>
Estimated surplus available for (before costs)		197,581
Estimated Costs of Recovery (Net of VAT where applicable)		
Administrator's Fees & Disbursements	(65,000)	
Legal Fees and Disbursements	(3,000)	
Accountants' fees	(10,000)	
Agent's Fees and Disbursements	(5,000)	
Sundry disbursements	(1,000)	
		<u>(84,000)</u>
Assets available to Preferential Creditors		113,581
Preferential Claims: Employees		<u>Nil</u>
Estimated total funds available to Unsecured Creditors		113,581
Less: Due to unsecured creditors		<u>(2,365,507)</u>
Shortfall to Unsecured Creditors		<u>(2,251,926)</u>

Zombie Shows London Limited (in Administration) – “ ZSL / the Company”

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

1. *Fees Overview*

- 1.1 Prior to an insolvency practitioner agreeing the basis of his remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a Company's affairs must be provided to creditors.
- 1.2 In addition, where the Administrator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent Company, a fees estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.
- 1.3 It should be noted that a fees estimate maybe provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will be done at the outset.
- 1.4 Creditors should be aware that the fees estimate is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the administration. If it is considered that the fees estimate will be exceeded, the Administrator will provide an update and seek approval to increase the previously agreed fees estimate.

2. *Work anticipated and the likely return to creditors*

- 2.1 Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former cast members via the National Insurance Fund.
- 2.2 Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.
- 2.3 Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

3. *Proposed Fee Basis*

- 3.1 In this case, I am proposing the following basis for my remuneration as Administrator:

Set Fee

- 3.2 For the general administration of the case, including statutory compliance and statutory reporting, I am proposing to charge a set fee of **£15,000**.
- 3.3 For completing my preliminary, statutory investigations into conduct of the Director of the Company, and transactions entered into prior to the Company's insolvency, I am proposing to charge a set fee of **£5,000**.

Please note that in circumstances where my initial statutory investigations reveal matters for further detailed investigation, or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.

Time Costs

- 3.4 In dealing with all other matters in the administration, I propose that the basis of my remuneration as Administrator will be based on time spent by me and my staff in dealing with the Company's affairs. I set out below an explanation of the work I propose undertaking, and my fee estimate for undertaking this work.
- 3.5 Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my fees estimate, I have indicated an average blended rate of the grades of staff such as me, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.
- 3.6 This fees estimate is produced on the basis of all the work I currently propose will be necessary in the administration. If I consider the fee estimate will be exceeded, I will notify creditors accordingly, provide a revised estimate and seek further approval for my increased fees.
- 3.7 In calculating the set fees, I have considered what the time costs may be on this type of case, and confirm that the set fees proposed are in line with the likely cost that would be incurred if fees were proposed on a time cost basis.
- 3.8 Please note however, that in circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.

4. Outline of work to be done by the Administrator

- 4.1 Below are details of the work I propose undertaking in support of the above fee proposal for the Administration:

Administration (including statutory compliance & reporting)

- 4.2 Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be carried out.

4.3 This work includes:

- Inputting and updating information on the Administrator's insolvency software (IPS).
- Notification of the Administrator's appointment to various stakeholders.
- General correspondence and meetings with the Director of the Company.
- Saving documents to the case file.
- Reading general correspondence.
- Filing correspondence.
- Completion of checklists.
- Adding and maintaining the case diary.
- Setting up administration bank accounts.
- Review and allocate resources amongst the Administrator's staff.
- Internal strategy meetings to discuss case progress and next steps.
- Case planning.
- Pension searches and notifying the Pensions Regulator, the Pension Protection Fund and the scheme Trustees of the Administrator's appointment.
- Advertising the Administrator's appointment in the London Gazette.
- Liaising with HMRC regarding PAYE, Corporation Tax and VAT.
- Liaising with the Company's workers regarding information required.
- Filing statutory notices at Companies House.
- Requesting the Director to complete a Statement of Affairs (" SofA ").
- Liaising with the Director regarding the completion of the SofA.
- Liaising with the Company's pre-appointment advisors, including bankers and accountants.
- Liaising with IT providers (where applicable).
- Drafting the Administrator's Report and Statement of Proposals.
- Liaising with Solicitors regarding legal matters in the administration (where necessary)
- Bonding calculation.
- Issuing s120 pension notifications.
- General cashiering function, including:
 - i. Banking and bank account reconciliations.
 - ii. Arranging payment of administration expenses.
 - iii. Posting of receipts.
 - iv. Maintenance of cash book.

Realisation of assets

4.4 The Administrator will seek to realise ZSL's assets as outlined in the Administrator's proposals.

VAT Refund & Theatre Tax Relief ("TTR")

- 4.5 The preparatory work to realise the VAT Refund & TTR claim was completed by the Company's pre-appointment accountants, Nyman Libson Paul ("NLP").
- 4.6 Since appointment, the Administrator and his staff have liaised with NLP regarding the repayment of the VAT refund, which has now been paid. Creditors are referred to paragraph 2.12 of the Administrator's Proposals for further comment.
- 4.7 Work that has and will need to be undertaken in respect of the TTR claim includes liaison with NLP regarding the progress of the claim, and dealing with any queries that may be raised by HMRC.
- 4.8 The Administrator will also need to enter into further communication and negotiation with BDP regarding the VAT monies inadvertently paid into BDP's bank account post administration.

- 4.9 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses, and further updates will be provided to creditors in my progress reports.

Creditors (claims and distributions)

- 4.10 As Administrator, I will deal with the secured and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title.
- 4.11 After taking into consideration the costs of realising the assets and the costs and expenses of dealing with the statutory formalities of the administration, it is anticipated that a distribution will be available to the unsecured creditors.
- 4.12 I will either deal with the review and adjudication of creditors' claims in the Administration or, if appointed Liquidator, in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.
- 4.13 It should be noted that the Statement of Affairs and the projected realisable value of the Company's assets is based on the figures provided by the Director. The Statement of Affairs does not include the anticipated costs of the Administration. I will confirm the likely return to creditors in my future progress reports.
- 4.14 A considerable amount of time has already been incurred in dealing with ZSL's creditors, and it is anticipated that further time will be incurred in order to establish the creditor position and ultimately agree claims for dividend purposes. This will be higher than normal for a case of this size.
- 4.15 To reiterate,
- 4.15.1 Due to the mutual director position of BDP and the Company, and the closely mingled activity of both entities, there has been some debate as to where certain creditor claims rest. A number of creditors have lodged claims in the Administration and against BDP.
- 4.15.2 The queries raised are not straightforward and will depend upon the circumstances of each claimant. I will have to review these claims with the creditors concerned to determine where the liability properly sits.
- 4.15.3 Cast: The Company has multiple claims from ex cast members, most of whom are represented by the union Equity. I have met with representatives of Equity who are assisting in collating their members' claims.
- 4.15.4 Ticket Sales: Prior to ceasing to trade, the Company presold tickets. I do not have a schedule nor details of those ticket sales, but have been liaising with the payment agency concerned. The final level of claim will be unknown until all refunds have been processed, but further work will be required to establish the position.
- 4.16 Work to be carried out under this category includes:
- Liaising with ZSL's secured creditor regarding its outstanding position.
 - Review of security documentation.
 - Updating creditors' listing and contact details.
 - Considering possible claims against BDP rather than the Company.

- Consider possible retention of title claims.
- Liaising with trade and expense creditors and responding to queries.
- Uploading creditor / Cast member information to IPS.
- Review of status and claims the Cast.
- Liaising with the Redundancy Payments Services ("RPS") and setting up a case reference.
- Holding a meeting with Equity Union representative regarding Cast members.
- Liaising with the Employment Tribunal Service ("EPS") regarding Cast members' various claims.
- Liaising with Cast members regarding their claims.
- Liaising with the payment agency regarding pre appointment ticket sales in order to establish the level of the total claim.
- Review of Proof of Debt forms submitted by creditors and recording creditors' claims as per IPS.
- Formally adjudicating creditor claims at the appropriate time.

Investigations

- 4.17 As Administrator, I am required to conduct investigations into the conduct of the Director of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).
- 4.18 This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.
- The initial assessment required by the SIP 2 and the Company Directors Disqualification Act 1986 ("CDDA"), including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the administration.
 - Submitting a statutory report to the Insolvency Service under CDDA.
- 4.19 *In circumstances where my initial statutory investigations reveal matters for further detailed investigation, or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.*
- 4.20 Work carried out under this category of work will include:
- Liaising with the Director regarding the books and records.
 - Reviewing creditors' responses to investigation questionnaires.
 - Requesting the Director to complete conduct questionnaires and review of completed questionnaires. Reviewing the completed return.
 - Requesting copies of the Company's bank statements and initial review.
 - SIP2 review and consideration of possible recovery actions.
 - Considering representations made by creditors.

5. Administrator's Expenses

- 5.1 As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.
- 5.2 Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Estimated cost £
<i>Agents' costs - NLP</i>	10,400
<i>Agents' costs - Lambert Smith Hampton</i>	5,000
<i>Legal costs – PDT Solicitors</i>	3,000
<i>Statutory advertising</i>	87
<i>Specific penalty bond</i>	23
<i>Storage of books and records</i>	200
Category 2 disbursements charged by the firm:	
<i>Photocopying</i>	40
Total:	18,750

6. Harrison's Business Recovery & Insolvency (London) Limited's Category 2 disbursements policy

- 6.1 Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements policy.
- 6.2 Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as Administrator is fixed.
- 6.3 It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the **fees estimate** for the Administrator, creditors will be notified accordingly.

7. Administrator's Fees Estimate

- 7.1 Below is my fees estimate for dealing with all other matters in the administration on the basis of time spent by me and my staff in dealing with the Company's affairs. The work the Administrator anticipates undertaking in relation to this estimate has been outlined above. It is an estimate for the entire administration. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised fees estimate as appropriate.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Realisation of assets	32	377	12,064
Creditors	97	340	32,980
Total estimated fees			£45,044