

The Insolvency (Northern Ireland) Order 1989

**2.17B**

# Statement of Administrator's Proposals

Name of Company:

**Cool Data Centres (Lincoln) Ltd**

Company Number

**NI 651391****In the High Court of Justice in Northern Ireland  
Chancery Division (Company Insolvency)**Court case number:  
**2020/42987**(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a) Adrian David Allen of RSM Restructuring Advisory LLP, Suite A, 7th Floor, City Gate East,  
Tollhouse Hill, Nottingham, NG1 5FS and Tyrone Shaun Courtman of RSM Restructuring  
Advisory LLP, Rivermead House, 7 Lewis Court, Grove Park, Leicester, LE19 1SD

\*Delete as applicable

attach a copy of \*my / our proposals in respect of the Administration of the above company.

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

(b) Insert date

(b) 23 September 2020

Signed

Adrian Allen  
Joint Administrator

Dated

23 September 2020

THURSDAY



JNI

\*J9EAKSTC\*

24/09/2020

#125

COMPANIES HOUSE

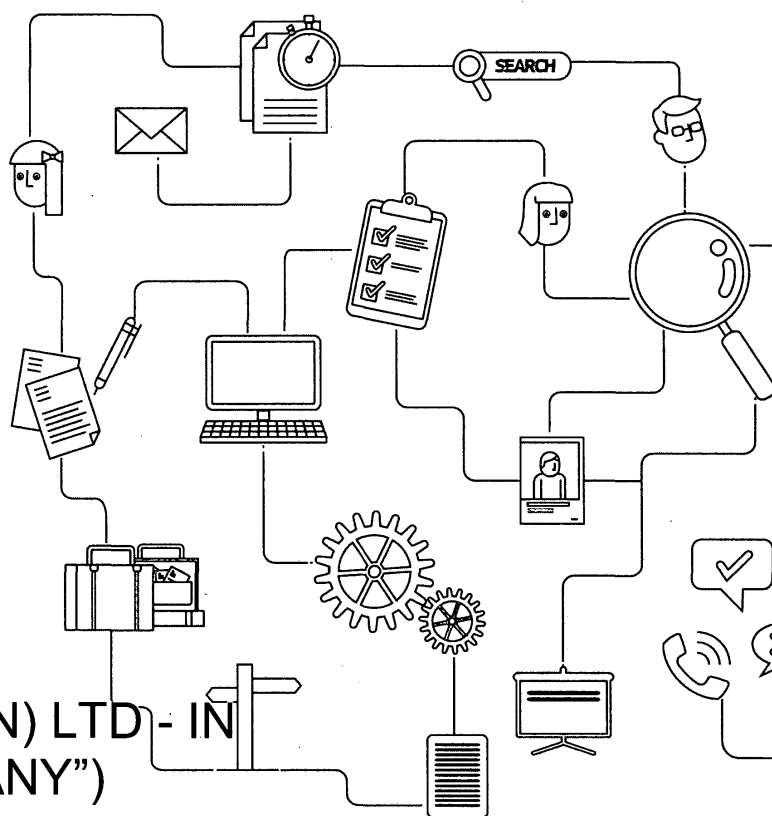
**Contact Details:**

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

**Samantha Hardingham****RSM Restructuring Advisory LLP, Rivermead House, 7 Lewis Court,  
Grove Park, Leicester, LE19 1SD**

When you have completed and signed this form please send it to the Registrar of Companies at the Companies Registry for Northern Ireland





JOINT ADMINISTRATORS' PROPOSALS  
23 SEPTEMBER 2020



---

# INTRODUCTION

## Contact details

The key contacts at RSM in connection with this report are:

### Primary office holder:

Adrian Allen  
RSM Restructuring Advisory LLP  
Suite A, 7th Floor  
City Gate East  
Tollhouse Hill  
Nottingham  
NG1 5FS  
Tel: +44 (0) 115 964 4450

### Case manager:

Ross Taylor  
RSM Restructuring Advisory LLP  
Fifth Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL  
Tel: +44 (0) 113 285 5000

## Basis of preparation

This document forms the basis of the Joint Administrators' Proposals ('Proposals').

They have been prepared solely to comply with the statutory requirements of the relevant legislation. They have not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to revision and additional costs. They should not be used as the basis for any bad debt provision or any other purpose. Neither the Joint Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in these Proposals. The Joint Administrators act as agents of the Company and without personal liability.

## EC regulations

The EC regulations will apply. As the Company's centre of main interest is in the UK, these proceedings will be main proceedings as defined in Article 3 of the EC Regulations.

## General guidance on the Administration process

You may also wish to note that profession's trade body, R3, have also produced general guidance on the different insolvency processes, which can be located at their website [www.R3.org.uk](http://www.R3.org.uk).

## Contents

### Sections

Introduction .....	1
Key actions and decisions required from creditors .....	2
Background and financial information .....	3
Purpose, strategy and conduct of the Administration .....	4
Outstanding matters .....	6
Creditors' claims and dividend prospects .....	7
Joint Administrators' fees, costs and expenses .....	8

### Appendices

A. Statutory information .....	
B. Estimated financial position .....	
C. Receipts and payments summary .....	
D. Pre-appointment time analysis .....	
E. Post-Administration time analysis .....	
F. A Guide to Administrator's Fees .....	
G. Work undertaken to date .....	
H. Current charging, expenses and disbursement policy statement and charge out rates .....	
I. Notice of the creditors' meeting .....	
J. Resolutions .....	
K. Proxy form .....	
L. Committee consent to act .....	
M. Proof of debt .....	



## KEY ACTIONS AND DECISIONS REQUIRED FROM CREDITORS

### Decisions required from creditors

The Joint Administrators' are seeking decisions of the creditors:

- to the approval of the Joint Administrators' Proposals;
- to the payment of the Joint Administrators' unpaid pre-appointment fees;
- approving the basis of the Joint Administrators' post appointment fees, and the drawing of 'category 2' expenses; and
- that a creditors' committee will **not** be appointed.

### Creditors' committee

#### Establishment and guidance

It is proposed that a creditors' committee will **not** be appointed. However, we are required to invite creditors to decide whether to establish a committee because a decision is being sought. If you want a creditors' committee, sufficient creditors will need to consent to act as a representative on the committee. At least three creditors must consent to act before a committee can be formed; a maximum of five can be represented. If you do want a committee, please complete and return the committee consent to act along with a proxy form and proof of debt contact to this office as soon as possible.

If a committee is formed, it would be their responsibility to approve the Joint Administrators' fees, costs, expenses and discharge from liability. They would also be responsible for approving any outstanding pre-Administration fees, costs and expenses.

Guidance on acting as a committee member can be found at the R3 website, [www.R3.org.uk](http://www.R3.org.uk). A hard copy can be requested by telephone, email or in writing to this office.

### Key actions required by creditors

I envisage that there will only be funds available to enable a dividend to be payable to the unsecured creditors, where the Administrators' investigations result in claims that are successfully pursued which result in additional realisations, after meeting any associated costs. Therefore, in accordance with Paragraph 52 of Schedule B1 of the Insolvency (Northern Ireland) Order 1989, I propose to hold an initial creditors' meeting on 9 October 2020 remotely to present my statement of Proposals. I attach notice of the creditors' meeting at Appendix I.

In order to comply with current government and health care advice during the Covid-19 pandemic a physical meeting of creditors cannot take place. In order to provide creditors with the opportunity to participate in the meeting, the meeting will be held remotely by telephone and/or video conferencing facilities.

In order to make suitable arrangements to ensure that all those wishing to participate are able to take part, creditors are requested to submit their proxy form in advance of the meeting and indicate that they wish to be sent details by email of how they may participate in the meeting at the required time.

If you wish to vote you will need to:

- Complete, sign and return a *Proof of Debt* and return it with evidence of your claim; and
- Complete, sign and return the *Proxy Form*.

These documents must be returned no later than 12 noon on 8 October 2020 for you to vote. Further, the *Proof of Debt* must have been received and admitted for voting purposes.

---

## BACKGROUND AND FINANCIAL INFORMATION

### Background and events leading to the Administration

The Company was incorporated on 2 March 2018 and traded as Cool Data Centres (Lincoln) Limited from leasehold premises at Boole Technology Centre, Lincoln Science & Innovation Park, Beevor Street, Lincoln, LN6 7DJ up until the Joint Administrators' appointment on 3 August 2020. Tim Chambers (Managing Director), Angela Meah (Operations Director) and Geoff Falconer (Finance Director) were Directors of the Company.

The Company was incorporated to develop an energy efficient data centre, known as the Lincoln Discovery Centre. Funding appears to have been received from a number of sources, but Hagan Homes Limited ('Hagan') claim to be the main unsecured investor and are also a 14% shareholder. There are no secured creditors in this matter. It is unclear from the Company's records what the exact level of investment in the data centre was, but this appears to be in the region of £1.8m - £2.3m. The Joint Administrators will review the funding and expenditure of the Company as part of their statutory investigations.

As at the date of appointment, the data centre was around 90% complete and required an estimated £200,000 of further investment to complete the development in line with its original design specification. The design of the data centre won numerous awards, including a gold status by CEEDA (the global energy efficiency assessment framework for data centres).

A breakdown in the relationships between certain of the Company's Directors and Hagan resulted in the data centre being incomplete. With all parties no longer willing to work together and the Company being insolvent on a cash flow basis, due to no further funding being available, the Directors (Tim Chambers and Angela Meah) sought independent advice from Frost Group Limited, a firm of insolvency practitioners, who recommended the Company be placed into Administration. However, Hagan obtained an injunction restraining the Company from appointing Frost Group Limited as Administrators.

Adrian Allen and Tyrone Courtman of RSM Restructuring Advisory LLP were introduced to the Company on 28 July 2020 via joint correspondence received from the Directors of the Company and Hagan. All parties agreed that the Company was insolvent and needed to enter Administration following the Court process by Hagan. Judge Horner, recommended an independent insolvency practitioner be introduced to the Company to take the appointment on 27 July 2020. Adrian Allen and Tyrone Courtman were subsequently appointed Joint Administrators on 3 August 2020 by the Court.

The Company employed 6 members of staff, including two Directors at the date of the Joint Administrators' appointment. Due to no ongoing requirements for their services, five of the six employees were made redundant shortly after the appointment of Joint Administrators. One employee was retained to ensure the part developed data centre was correctly maintained.

### Company's trading history

The Company has not traded since the date of incorporation. Draft financial accounts have been prepared by the Company's accountants to 30 September 2019, however these were not finalised.

### Appointment of Joint Administrators

Adrian Allen and Tyrone Courtman of RSM Restructuring Advisory LLP were appointed as Joint Administrators by the Court on 3 August 2020.

### Estimated statement of financial outcome

A Statement of Affairs has not yet been provided by the Directors of the Company. An Estimated Statement of the Financial Position of the Company as at 3 August 2020 is attached at Appendix B. This details the estimated book value of assets and liabilities, and information about the Company's creditors at the date the Company entered Administration.



## PURPOSE, STRATEGY AND CONDUCT OF THE ADMINISTRATION

### Purpose of the Administration

Insolvency legislation sets out the statutory purposes of an Administration. The Joint Administrators must perform their functions with the objective of either:

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

It was not possible to achieve statutory purpose (a) because the Company did not have the funds to enable continued trade, therefore statutory purpose (b) was pursued because the Administration appointment enabled the Joint Administrators to effectively market the business and assets of the Company for sale, consider offers and expressions of interest and conclude any sale.

This procedure is likely to achieve a higher sales value than if the Company had been placed into a Creditors' Voluntary Liquidation. A Liquidation is a protracted process and given the extended timescales, the goodwill and asset values of the Company would have eroded further and the costs of sale of the assets would be increased due to enhanced work being required by agents to realise the assets on a potential piecemeal basis.

### Strategy to achieve purpose of the Administration

The Joint Administrators attempted to maximise value for the Company's assets and minimise creditors' claims by seeking a sale of the Company's business and assets (principally consisting of a part completed data centre based in leasehold premises at Boole Technology Park, in Lincoln) within a shortened timeframe following their appointment on 3 August 2020. The sales process undertaken is set out below:

- Joint marketing campaign between the Joint Administrators and their agents Lambert Smith Hampton (LSH), agents and valuers.
- The Joint Administrators and their staff conducted two days of thorough research into potential purchasers, which resulted in just over 100 target parties being identified.
- The opportunity was issued to the target parties and to the standard interested party databases of both RSM and LSH. This will have resulted in the opportunity being presented to c25,000 parties.
- The opportunity was advertised online via LSH's website.

- 22 parties were willing to sign an NDA.
- As the sale process progressed it became evident how integral the Managing Director was to the knowledge of the site and how it has been built. From conversations the Joint Administrators were having with interested parties it was evident that some parties wished to retain his services. For these parties, it created a second round of negotiating direct with the Managing Director. A number of the interested parties therefore dropped away as they were unable to agree employment or incentive terms accordingly.

The business was marketed for approximately 3 weeks as this gave the Administrators until the end of August to conclude a sale. The monthly running costs of the facility were c£25k (including salaries of c£13k), which were reduced to c£12k post Administration

The result of the above sales process resulted in 6 offers (after a stage of refining initial offers) being received for the business and assets. The highest offer was accepted and later withdrawn and the Joint Administrators have therefore reverted back to the previous underbidders.

The Joint Administrators' have now accepted an offer from one of the previous underbidders and are hopeful that the sale will be concluded in the next week. Full details of the offer will be provided in the next update to creditors, as disclosure of the offers at this stage may prejudice the sales process.

It is likely that the Joint Administrators will grant a license to occupy agreement for the trading premises at Boole Technology Park, Lincoln. The landlord has confirmed he is happy with such an agreement whilst an assignment or new lease is agreed. The Administrators will receive the rent due a month in advance. This should also allow realisations from the Company's rent deposit of £36,450 to be maximised.

### Other asset realisations

#### Cash at bank

The Company held a bank account with Santander UK Plc, which had cash at bank of £40,089 at the date of appointment. These funds were subsequently transferred to the Administration shortly after appointment and the account was closed.

No further monies are expected to be received in relation to this asset.

---

### Rent Deposit

The Company occupied leased premises at Boole Technology Park in Lincoln whereby a rent deposit of £36,450 is held by the landlord. It is expected that the purchaser will enter into a license to occupy agreement in respect of the premises and once the license to occupy agreement expires the Joint Administrators' will be looking for the rent deposit to be repaid to the Company. However, the value of the rent deposit is likely to reduce due to the period of occupation by the Joint Administrators since their appointment.

The time costs incurred to date in respect of asset realisations are shown on the attached analysis of time costs at Appendix E.

### Investigations

The Joint Administrators are required to investigate the Company's business affairs and make a report on the Directors' conduct within three months of appointment. If you have any information or concerns regarding the manner in which the Company's business affairs have been conducted, or information regarding the potential recoveries or assets, please contact the Joint Administrators as soon as possible.

### Statutory and case management matters

The following work does not usually result in a financial return to creditors but is required by legislation, best practice and to ensure that the case is managed efficiently and effectively. The work done since appointment included:

- filing of appointment documentation;
- initial notification to creditors;
- issuing statutory notices including the advertisement of the appointment and the notice of appointment to creditors;
- compliance with ethical and anti-money laundering regulations;
- arranging insurance of assets, including site visits;
- corresponding with our insurers and putting in place the appropriate insurance cover;
- discussions and correspondence with key creditors;
- correspondence with pre-appointment third party advisors;
- consideration of health & safety and environmental matters;
- preparation of an estimated financial position;
- collecting and scheduling of books and records;
- corresponding with the Company's landlords;
- liaising with creditors regarding potential Retention of Title claims;
- strategic discussions and ongoing case planning regarding the Administration;

- preparation of the Joint Administrators' Proposals;
- periodic case reviews;
- maintaining and updating computerised case management records;
- set up of the Administrators' bank account;
- maintenance of cashiering records and preparation of receipts and payments accounts;
- filing of statutory documentation at Companies House and Court, and with other relevant parties;
- general taxation matters;
- dealing with routine correspondence not attributable to other categories of work, including customer telephone calls and emails;
- dealing with pension schemes, liaising with the PPF / Pensions Regulator / Trustees; and
- any specific case Administration and planning matters not included above.

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs at Appendix E.

### Receipts and payments

A summary of receipts and payments is attached at Appendix C. Receipts and payments shown net of VAT with any amounts due to or from HM Revenue and Customs shown separately.



## OUTSTANDING MATTERS

### Assets remaining to be realised

As referred to previously in this report the Joint Administrators need to conclude the sale of the Company's business and assets.

Thereafter the only remaining asset to realise is the rent deposit of £36,450 that is held by the landlord of Boole Technology Park. However, it is likely that the value of this will reduce as a result of the Joint Administrators' occupation of the property since appointment.

The Joint Administrators will undertake their statutory investigations into the Company and the conduct of the Directors and will attempt to realise any additional assets which may come to light for the benefit of the Administration.

### Other outstanding matters

The Joint Administrators have the following outstanding matters to resolve prior to closure of the Administration:

- Conclude the sale of the Company's business and assets;
- Conduct their statutory investigation work;
- Ensure rent is collected in accordance with the license to occupy agreement entered into and surrender the Company's interest in the lease at Boole Technology Park, once appropriate to do so;
- Statutory and case management matters; and
- If sufficient funds are realised, after meeting the costs of Administration, to allow a distribution to preferential and / or unsecured creditors, then the preferential and / or unsecured creditors' claims will need to be agreed.

### End of the Administration

#### Automatic end

The Administration will automatically end 12 months from the date the Joint Administrators' appointment took effect, unless an extension is sought. An extension can be sought from the creditors for up to 6 months, or by application to the Court for a longer period.

It is proposed that the Company will exit Administration by way of Creditors' Voluntary Liquidation, should a dividend become likely to the unsecured creditors.

### Exit by Creditors' Voluntary Liquidation or dissolution

As it is intended that the Company will exit Administration by moving into a Creditors' Voluntary Liquidation or dissolution, it is proposed that the Joint Administrators or any successor(s), will be appointed Joint Liquidators of the Company. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the Liquidators may be done by all or any one more of the persons holding the office in question.

#### Creditors nomination for alternative liquidator(s)

Please note that creditors may nominate a different person as the proposed Liquidator provided that:

- The nomination is made before the proposals are approved; and
- Where the nomination relates to more than one person or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the Liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

#### Exit by dissolution

However, if at any point in the Administration the Joint Administrators reach a conclusion that the property is insufficient to permit a distribution then they shall (unless the court orders otherwise) file a notice pursuant to paragraph 85 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 for the Company be dissolved.

#### Joint Administrators' discharge from liability

An order of the Court will be sought approving the Joint Administrators' discharge from liability to take effect immediately they cease to act as Joint Administrators.



---

## CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

### Dividend prospects

	Owed (£'000)	Estimated future prospects*
Preferential creditors	13	Uncertain
Unsecured creditors	3,196	Uncertain
Estimated Net Property	N/A	N/A
Estimated 'Prescribed Part' available for creditors	N/A	N/A

\* Any estimated outcome for creditors is illustrative and may be subject to change

### Prescribed Part

The 'Prescribed Part' is a statutory amount set aside for unsecured creditors from funds ('Net Property') available to a Qualifying Floating Charge Holder ('QFCH'). The amount of Net Property is calculated on a sliding scale up to maximum of £600,000 before costs, depending on when the QFCH was created and whether or not it is a first ranking floating charge.

There are no QFCHs and the Prescribed Part does not, therefore, apply.

### Agreement of claims

Creditors' claims are usually only agreed if there is a likelihood of a dividend being made to that particular class of creditor.

The anticipated dividends set out above are subject to future realisations and no work has therefore been done as yet to agree preferential claims, other than that necessary for the purposes of admitting claims for voting, where applicable. Details of the time spent in relation to this work as set out in the attached time analysis.

If you have not already submitted a Proof of Debt, a copy of the form can be obtained at <https://rsmuk.ips-docs.com> or by request to this office.

### Dividend payments

The timing of any future dividend to preferential or unsecured creditors is dependent on future realisations arising, following the Administrators' ongoing investigations leading to additional recoveries for creditors, after meeting the costs of realisation. Further information regarding any potential future dividend payment will be made in due course.

### Creditor communication

The following work was done in the period to comply with legislation, best practice and to ensure creditors were kept informed. It is also necessary to enable a dividend to be paid or is due to be paid in the subsequent Liquidation (if sufficient funds allow).

- maintenance of schedules of preferential and unsecured creditors' claims;
- dealing with correspondence and telephone calls from creditors;
- discussions and correspondence with the former employees and assisting with their claims;
- agreeing employee claims, submitting documentation to, and liaising with, the Redundancy Payments' Service;
- liaising with the retained employee in respect of maintaining the facility and ensuring all matters are up to date; and
- review of unsecured creditors' claims and recording these claims on our case management software.

Creditors will only derive an indirect financial return from this work on cases where a dividend has been paid.

The time incurred in dealing with these matters during the period is set out in the attached post-appointment analysis of time costs at Appendix E.



# JOINT ADMINISTRATORS' FEES, COSTS AND EXPENSES

## Guide to Administrators' fees and expenses

A Guide to Administrators Fees, which provides information for creditors in relation to the fees and expenses of an Administrator, can be found at Appendix F. All fees, costs and expenses are subject to VAT.

### Relevant Approving Body

The unsecured creditors will be the Relevant Approving Body responsible for approving the Joint Administrators' post appointment fee basis and, where applicable, 'category 2' expenses and any outstanding pre-Administration costs. However, if a creditors' committee is established, this will be its responsibility and it will be the Relevant Approving Body.

### Pre-Administration costs

Pre-Administration time costs of £6,684 have been incurred, in relation to client take on and due diligence procedures, gaining knowledge of the Company's financial position, assets and history including an analysis of information provided by the Directors and their advisors.

To whom due / paid	Basis	Total incurred (£)	Amount outstanding (£)
Joint Administrators' fees	time cost	6,684	6,684
Total		6,684	6,684

No category 1 or 2 expenses have been incurred.

### Post-appointment costs

#### Basis of fees

Insolvency legislation allows an Administrator to charge fees on one of, or a combination of, the following bases:

- as a percentage of the value of the property the Administrator has to deal with (percentage basis);
- to the time spent by the Administrator or their staff on the Administration of the case (time cost basis);
- as a set amount (fixed fee basis); or

- a combination of the above (mixed fee basis).

In this case, approval for post-appointment fees is therefore now being sought from the Relevant Approving Body, in accordance with Resolution 4 of the Proxy Form at Appendix K, to be calculated on a time cost basis.

### Remuneration charged

Legislation requires that 'remuneration charged' is reported. Remuneration is charged when the work to which it relates is done.

As the fee basis has not yet been approved, remuneration charged cannot be calculated. No fees have been drawn to date.

However, as it is proposed that all fees will be calculated on a time cost basis, an analysis of time incurred in the period is attached at Appendix E. Time costs incurred since appointment to 23 September 2020 totals £68,708.

### Further fee approval

Please note that, should the Company exit Administration via a Creditors' Voluntary Liquidation, a further fee resolution will be requested in relation to the fees of any succeeding Liquidator.

### Expenses and professional costs

Details of the costs and expenses the Joint Administrators anticipate will be incurred are set out below. The following expenses may include estimated amounts where actual invoices have not been received. Amounts paid to date are shown in the attached receipts and payments account.

#### Category 1 expenses

These comprise external supplies of incidental services specifically identifiable to the insolvency estate. They do not require approval of the Relevant Approving Body prior to being paid.

Type of expense	Total estimated (£)	Incurred in period (£)
Bank charges	50	3
Bond	85	85
Statutory advertising	690	345
Website fee	13	13
Books & records collection & storage	100	0
Postage	100	0
Insurance – JLT Marsh	5,000	3,313
Site running costs	5,000	3,846
Wages & employers NIC – retained staff	6,145	2,700
Total	17,183	10,305

#### Category 2 expenses

These are costs which are not capable of precise identification or calculation, or that may include an element of shared or allocated costs. Payments to outside parties that the Office Holder, firm, or any associate has an interest, are also treated as 'category 2' expenses. These expenses require the specific approval of the Relevant Approving Body before being paid from the insolvency estate.

Approval for the payment of the 'category 2' expenses, at the rates prevailing at the date they are incurred is therefore now being sought from the Relevant Approving Body. Details of the current rates are set out below.

Type of expense	Total estimated (£)	Incurred in period (£)
Room hire (£25/80 per room)	0	0
Mileage (42.5p per mile)	250	174
Tracker reports (£10 per report)	0	0
Subsistence (£25 per night)	0	0
Total	250	174

#### Other professional costs

The office holders retained the following advisers based on their experience and expertise. These costs are not subject to approval by the Relevant Approving Body. However, they are subject to review and approval by the Joint Administrators.

Party	Nature of advice	Total estimated (£)	Incurred in period (£)
Wedlake Bell LLP	Legal advice	40,000	16,300
Lambert Smith Hampton	Asset valuation and disposal	5,000	5,000
Clumber Consultancy	Pensions advice	250	0
Total		45,250	15,000

Should you have any further queries, please do not hesitate to contact me.

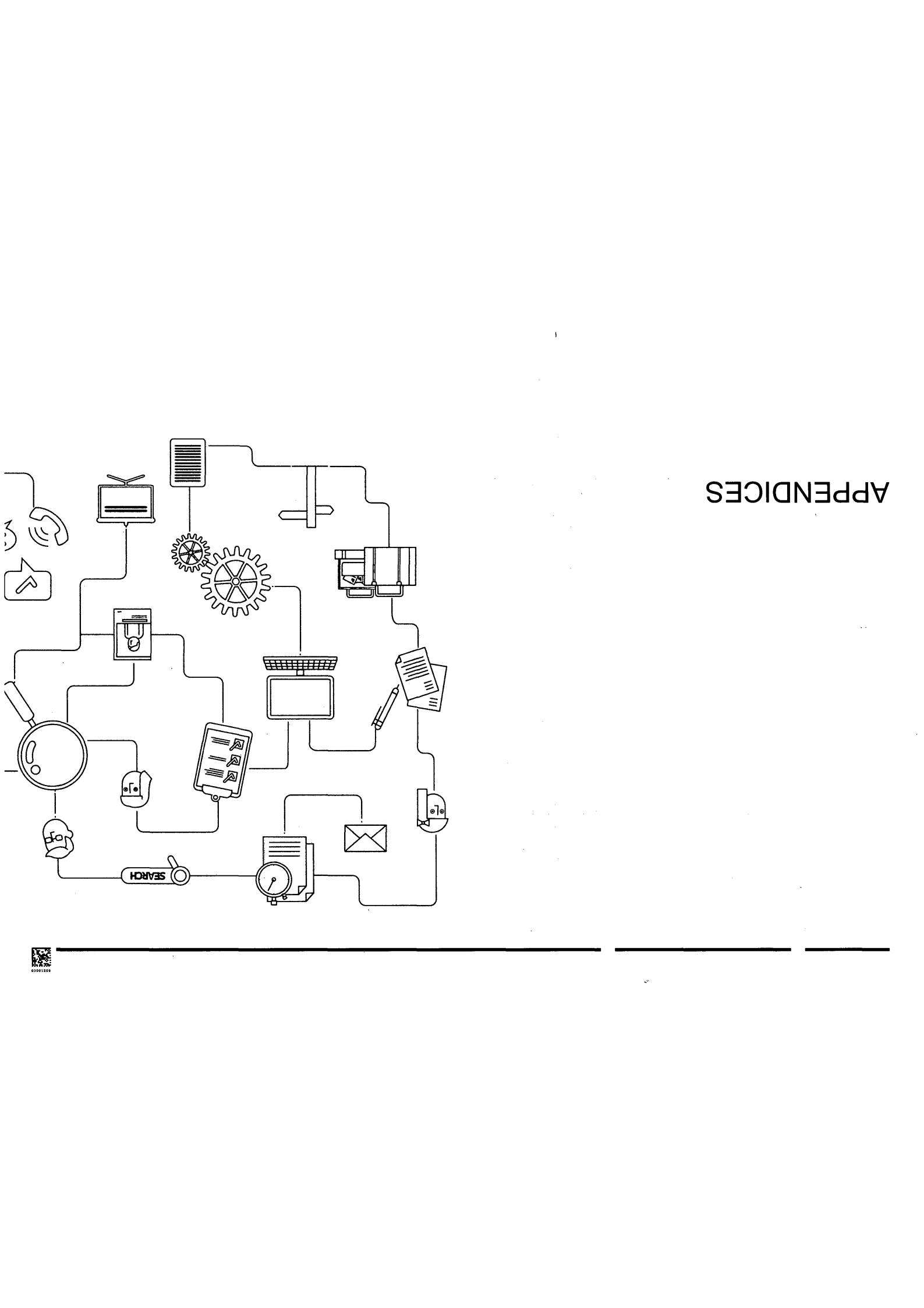
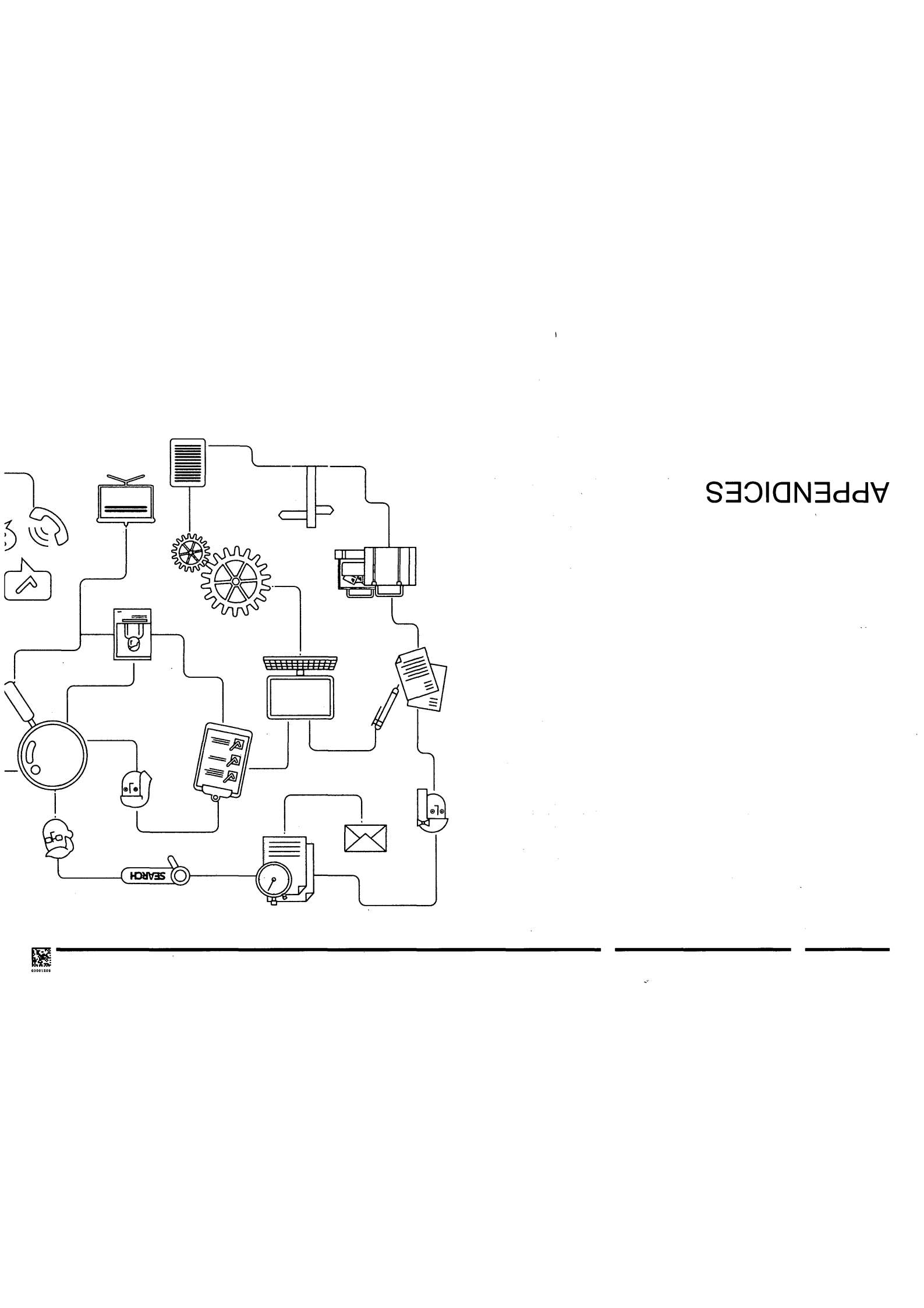


**Adrian Allen**  
**RSM Restructuring Advisory LLP**  
**Joint Administrator**

Adrian Allen and Tyrone Courtman are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

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

[illegible]

## A. STATUTORY INFORMATION

### Company information

Company name:	Cool Data Centres (Lincoln) Ltd	
Company number:	NI651391	
Date of incorporation:	2 March 2018	
Trading name:	Cool Data Centres (Lincoln) Ltd	
Trading address:	Boole Technology Centre, Lincoln Science & Innovation Park, Beevor Street, Lincoln, LN6 7DJ	
Principal activity:	Computer facilities management activities	
Registered office:	RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG	
Previous registered office:	248 Upper Newtownards Road, Belfast, BT4 3EU	
Previous company names:	None	
Directors:	Mr Tim Chambers Ms Angela Marie Meah Mr James Geoffrey Falconer	
Secretary:	None	
Authorised share capital:	100 Ordinary shares	
Nominal & issued share capital:	Issued: 100 Ordinary shares at a par value of £1	
Shareholders:	Mr Tim Chambers - 38 Mr James Falconer – 38	Hagan Homes Limited – 14 Tim Chambers & J G Falconer In Trust - 10

### Administration information

Court reference:	In the High Court of Justice in Northern Ireland Chancery Division (Companies) No 042987 of 2020	
Joint Administrators:	Adrian Allen and Tyrone Courtman	
Date of appointment:	3 August 2020	
Appointor:	Court appointment	
Functions of Administrator(s):	The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.	
Joint Administrators:	<b>Primary office holder:</b> Adrian Allen RSM Restructuring Advisory LLP Suite A, 7th Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS 0115 964 4450 IP Number: 8740	<b>Joint office holder:</b> Tyrone Courtman RSM Restructuring Advisory LLP Rivermead House, 7 Lewis Court, Grove Park, Enderby, Leicestershire, LE19 1SD 0116 282 0550 IP Number: 7237

## B. ESTIMATED FINANCIAL POSITION

	Book Value £	Estimated to Realise £
<b>Assets Subject to Floating Charge</b>		
Cash at bank	40,089	40,089
Rent deposit	36,450	Uncertain
Data Centre facility and infrastructure	4,286,633	Uncertain
		<u>40,089</u>
Available to Preferential Creditors		<u>40,089</u>
<b>Less: Preferential Creditors</b>		
Arrears of wages and holiday pay	(13,300)	(13,300)
<b>Total Assets Available to Unsecured Creditors</b>		<u>26,789</u>
<b>Unsecured Creditors</b>		
Hagan Homes and / or associated parties*	(3,108,893)	
HMRC - estimated	(200,000)	
Trade and expense creditors – estimated*	(2,188,102)	
		<u>(5,496,995)</u>
<b>Estimated Deficiency as Regards Unsecured Creditors</b>		<u>(5,470,206)</u>
<b>Share Capital</b>		
Ordinary shares	(100)	
<b>Estimated Deficiency as Regards Members</b>		<u>(5,470,306)</u>

\*Figures based on draft financial statements for the 18 month period ended 30 September 2019

**COMPANY CREDITORS EXCLUDING EMPLOYEES AND CONSUMERS**

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
A&L Goodbody Northern Ireland	42-46 Fountain Street, Belfast, BT1 5EF	13,753.50	None	-	-
AIT Partnership Group Ltd	670 Eskdale Road, Winnersh Triangle, Reading, RG41 5TS	-	None	-	-
Brook Green Supply	80 Hammersmith Road, London, W14 8UD	1,791.95	None	-	-
BT - Openreach	-	-	None	-	-
Cleaver Fulton Rankin	50 Bedford Street, Belfast, BT2 7FW	750.00	None	-	-
Cysure (Cyber Essentials)	90A The Broadway, Wimbledon, London, SW19 1RD	-	None	-	-
Frost Group Limited	86-90 Paul Street, London, EC2A 4NE	16,800.00	None	-	-
Hagan Homes Limited and / or associated parties	181 Templepatrick Road, Doagh, Ballyclare, Co Antrim, BT39 0RA	3,108,893.00	None	-	-
HM Revenue & Customs (PAYE)	ICHU, Benton Park View, Longbenton, Newcastle upon Tyne, NE98 1ZZ	200,000.00	None	-	-
Lincoln Science & Innovation Park	Boole Technology Centre, Beevor Street, Lincoln, LN6 &DJ	5,935.71	None	-	-
NEST	Nene Hall, Lynch Wood Business Park, Peterborough, PE2 6FY	-	None	-	-
Next Connex	2 Oyster Lane, Byfleet, Surrey, KT14 7DU	-	None	-	-
Static Security	Greetwell Place, Lincoln, LN2 4US	1,908.00	None	-	-
Vitality Healthy Insurance	4th Floor, 70 Gracechurch Street, London, EC3V 0XL	-	None	-	-
Wordley Partnership Solicitors	1 King William Street, London, EC4N 7AF	91,644.60	None	-	-
Unknown trade creditors, but balance as per draft accounts	N/A	2,055,518.24			
<b>Total:</b>		<b>5,496,995.00</b>			



SHAREHOLDERS

Name of shareholder	Address (with postcode)	Type of shares held	Nominal amount of share £	Number of shares held £	Amount per share called up £	Total amount called up £
Mr Tim Chambers	9 Hawthorn Croft Misterton Nottinghamshire DN10 4FP	Ordinary	1.00	38.00	1.00	38.00
Mr James Falconer	248 Upper Newtownards Road Belfast BT4 3EU	Ordinary	1.00	38.00	1.00	38.00
Hagan Homes Limited	181 Templepatrick Road Doagh Ballyclare Co Antrim BT39 0RA	Ordinary	1.00	14.00	1.00	14.00
Tim Chambers & J G Falconer In Trust		Ordinary	1.00	10.00	1.00	10.00
			Total:	100.00		100.00



## C. RECEIPTS AND PAYMENTS SUMMARY

**Cool Data Centres (Lincoln) Ltd**  
**In Administration**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 03/08/2020 To 23/09/2020 £	From 03/08/2020 To 23/09/2020 £
ASSET REALISATIONS		
Bank Interest Gross	5.46	5.46
Cash at Bank	40,088.64	40,088.64
	<u>40,094.10</u>	<u>40,094.10</u>
COST OF REALISATIONS		
Bank Charges	4.11	4.11
Statutory Advertising	95.50	95.50
Supplier - Security Costs	870.00	870.00
Supplier Costs - Next Connex Ltd	2,976.29	2,976.29
Wages & Salaries	2,700.00	2,700.00
	<u>(6,645.90)</u>	<u>(6,645.90)</u>
	<u>33,448.20</u>	<u>33,448.20</u>
REPRESENTED BY		
Bank 1 Current		32,659.84
Vat Receivable		788.36
		<u>33,448.20</u>



## D. PRE-ADMINISTRATION TIME ANALYSIS

Joint Administrators' pre Administration time cost analysis

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
<b>Administration and Planning</b>									
Appointment	1.7	0.0	0.0	0.0	0.0	0.0	1.7	£ 892.50	525.00
Background information	0.0	3.0	0.0	0.0	0.0	0.0	3.0	£ 915.00	305.00
Case Management	0.3	0.7	0.0	0.0	2.2	0.0	3.2	£ 641.00	200.31
Director(s)/debtor/bankrupt	1.6	0.0	0.0	0.0	0.0	0.0	1.6	£ 840.00	525.00
Pre-appointment matters	2.8	1.0	0.6	0.0	1.5	0.0	5.9	£ 2,231.50	378.22
<b>Total</b>	<b>6.4</b>	<b>4.7</b>	<b>0.6</b>	<b>0.0</b>	<b>3.7</b>	<b>0.0</b>	<b>15.4</b>	<b>£ 5,520.00</b>	<b>358.44</b>
<b>Realisation of Assets</b>									
Assets - general/other	0.0	0.0	0.0	0.0	0.3	0.0	0.3	£ 52.50	175.00
Sale of business	0.0	3.3	0.0	0.0	0.0	0.0	3.3	£ 1,006.50	305.00
<b>Total</b>	<b>0.0</b>	<b>3.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>3.6</b>	<b>£ 1,059.00</b>	<b>294.17</b>
<b>Case Specific Matters - Legal Matters</b>									
Legal Matters	0.2	0.0	0.0	0.0	0.0	0.0	0.2	£ 105.00	525.00
<b>Total</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>£ 105.00</b>	<b>525.00</b>
<b>Total Hours</b>	<b>6.6</b>	<b>8.0</b>	<b>0.6</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>	<b>19.2</b>	<b>£ 6,684.00</b>	<b>348.13</b>
<b>Total Time Cost</b>	<b>£ 3,465.00</b>	<b>£ 2,440.00</b>	<b>£ 204.00</b>	<b>£ 0.00</b>	<b>£ 575.00</b>	<b>£ 0.00</b>	<b>£ 6,684.00</b>		
<b>Average Rates</b>	<b>525.00</b>	<b>305.00</b>	<b>340.00</b>	<b>0.00</b>	<b>143.75</b>	<b>0.00</b>	<b>348.13</b>		

## E. POST-APPOINTMENT TIME ANALYSIS

Joint Administrators' post appointment time cost analysis for the period 3 August 2020 to 23 September 2020

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
<b>Administration and Planning</b>									
<b>Appointment</b>									
Appointment documentation	0.3	0.3	0.0	0.0	0.0	0.0	0.6	£ 249.00	415.00
Case planning/strategy	5.1	0.0	1.2	0.0	1.9	0.0	8.2	£ 3,370.50	411.04
I2 / PASO case set up & data entry	0.0	0.0	0.0	0.0	0.1	0.0	0.1	£ 15.00	150.00
<b>Total</b>	<b>5.4</b>	<b>0.3</b>	<b>1.2</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>8.9</b>	<b>£ 3,634.50</b>	<b>408.37</b>
<b>Background information</b>									
Collecting & scheduling Books and Records	0.1	0.0	0.0	0.3	0.1	0.0	0.5	£ 133.50	267.00
Meetings/corres/tel	0.5	0.0	0.0	0.0	0.1	0.0	0.6	£ 277.50	462.50
<b>Total</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>1.1</b>	<b>£ 411.00</b>	<b>373.64</b>
<b>Case Management</b>									
Case review / KPI Reports	0.9	0.5	0.0	0.0	1.2	0.0	2.6	£ 805.00	309.62
Communication with Joint office holder	0.4	0.0	0.0	0.0	0.1	0.0	0.5	£ 225.00	450.00
Communication with Other office holder	0.0	0.0	0.0	0.0	0.1	0.0	0.1	£ 11.00	110.00
Compliance/Task updates/checklists	0.5	0.0	0.2	0.0	0.3	0.0	1.0	£ 330.50	330.50
Ongoing case planning/strategy	3.6	2.0	0.0	0.0	2.5	0.0	7.6	£ 2,692.50	354.28
Travel	0.0	2.0	0.0	0.0	0.0	0.0	2.0	£ 610.00	305.00
<b>Total</b>	<b>5.4</b>	<b>4.5</b>	<b>0.2</b>	<b>0.0</b>	<b>4.2</b>	<b>0.0</b>	<b>14.3</b>	<b>£ 4,936.50</b>	<b>345.21</b>
<b>Director(s)/debtor/bankrupt</b>									
Correspondence/tel	0.2	5.5	0.0	0.0	1.1	0.0	6.8	£ 1,947.50	286.40
Meetings	0.0	10.5	0.0	0.0	0.0	0.0	10.5	£ 3,202.50	305.00
<b>Total</b>	<b>0.2</b>	<b>16.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>17.3</b>	<b>£ 5,150.00</b>	<b>297.69</b>
<b>Pension Scheme</b>									
General	0.4	0.0	0.0	0.0	0.5	0.0	0.9	£ 285.00	316.67
Meetings/corres/tel with PPF/Pensions Regulator/Trustees	0.0	0.0	0.0	0.0	1.2	0.0	1.2	£ 180.00	150.00
<b>Total</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>0.0</b>	<b>2.1</b>	<b>£ 465.00</b>	<b>221.43</b>
<b>Post-appointment - general</b>									
Statutory filing/advertising	0.0	0.0	0.0	0.0	2.2	0.0	2.2	£ 330.00	150.00
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.2</b>	<b>0.0</b>	<b>2.2</b>	<b>£ 330.00</b>	<b>150.00</b>
<b>Receipts and Payments</b>									
Bank Reconciliations	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 20.00	100.00
Cashiering	0.0	0.0	2.9	0.0	0.1	0.0	3.0	£ 522.50	174.17
Receipts and Payments	0.0	0.4	0.0	0.0	1.2	0.0	1.6	£ 302.00	188.75
<b>Total</b>	<b>0.0</b>	<b>0.4</b>	<b>2.9</b>	<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>4.8</b>	<b>£ 844.50</b>	<b>175.94</b>



<b>Tax Matters</b>									
VAT post-appointment returns	0.5	0.6	1.3	0.0	0.3	0.0	2.7	£ 964.00	357.04
<b>Total</b>	<b>0.5</b>	<b>0.6</b>	<b>1.3</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>2.7</b>	<b>£ 964.00</b>	<b>357.04</b>
<b>Total</b>	<b>12.5</b>	<b>21.8</b>	<b>5.6</b>	<b>0.3</b>	<b>13.2</b>	<b>0.0</b>	<b>53.4</b>	<b>£ 16,735.50</b>	<b>313.40</b>
<b>Investigations</b>									
<b>Investigations/CDDA</b>									
Antecedent transactions other	0.5	0.0	0.0	1.3	0.9	0.0	2.7	£ 665.50	246.48
CDDA report/return	0.0	3.2	0.0	0.0	0.0	0.0	3.2	£ 976.00	305.00
General review of books & records & other papers	0.0	8.6	0.0	1.9	1.4	0.0	11.9	£ 3,231.00	271.51
Misfeasance	0.5	0.0	0.0	0.0	0.0	0.0	0.5	£ 262.50	525.00
Other general matters	0.0	0.7	3.0	0.5	0.0	0.0	4.2	£ 1,688.50	402.02
Wrongful/fraudulent trading	0.0	2.5	0.0	0.0	0.0	0.0	2.5	£ 762.50	305.00
<b>Total</b>	<b>1.0</b>	<b>15.0</b>	<b>3.0</b>	<b>3.7</b>	<b>2.3</b>	<b>0.0</b>	<b>25.0</b>	<b>£ 7,586.00</b>	<b>303.44</b>
<b>Total</b>	<b>1.0</b>	<b>15.0</b>	<b>3.0</b>	<b>3.7</b>	<b>2.3</b>	<b>0.0</b>	<b>25.0</b>	<b>£ 7,586.00</b>	<b>303.44</b>
<b>Realisation of Assets</b>									
<b>Assets - general/other</b>									
Goodwill/intellectual property	0.5	0.0	0.0	0.0	0.0	0.0	0.5	£ 262.50	525.00
Insurance - general	0.0	0.0	0.0	0.0	0.9	0.0	0.9	£ 135.00	150.00
Legal	0.2	0.0	0.0	0.0	0.0	0.0	0.2	£ 105.00	525.00
Other	0.2	0.0	0.0	0.0	1.1	0.0	1.3	£ 270.00	207.69
<b>Total</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>2.9</b>	<b>£ 772.50</b>	<b>266.38</b>
<b>Chattels</b>									
Agent liaison	0.0	0.3	0.0	0.0	0.0	0.0	0.3	£ 91.50	305.00
Insurance	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 152.50	305.00
<b>Total</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>£ 244.00</b>	<b>305.00</b>
<b>Land and Property</b>									
Insurance	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 30.00	150.00
Meetings/corres/tel with directors/debtor	0.0	0.6	0.0	0.0	0.0	0.0	0.6	£ 183.00	305.00
Meetings/corres/tel with Landlord	0.2	0.3	0.0	0.0	0.0	0.0	0.5	£ 196.50	393.00
Meetings/corres/tel with Utility suppliers	0.1	0.0	0.0	0.0	2.1	0.0	2.2	£ 367.50	167.05
<b>Total</b>	<b>0.3</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>2.3</b>	<b>0.0</b>	<b>3.5</b>	<b>£ 777.00</b>	<b>222.00</b>
<b>ROT/ Third Party Assets</b>									
Dealing with claim	0.1	1.7	0.0	0.0	0.2	0.0	2.0	£ 601.00	300.50
Meetings/corres/tel with directors/debtor	0.3	0.0	0.0	0.0	0.2	0.0	0.5	£ 187.50	375.00
<b>Total</b>	<b>0.4</b>	<b>1.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>2.5</b>	<b>£ 788.50</b>	<b>315.40</b>
<b>Sale of business</b>									
Agent liaison	0.2	0.2	0.0	0.0	0.0	0.0	0.4	£ 166.00	415.00
Contract negotiations	0.1	0.0	0.0	0.0	0.0	0.0	0.1	£ 52.50	525.00
Legal	0.3	1.4	0.0	0.0	0.0	0.0	1.7	£ 584.50	343.82
Meetings/corres/tel with interested parties	13.0	28.5	0.0	0.0	45.6	0.0	87.1	£ 23,497.50	269.78
Meetings/corres/tel with purchaser	1.3	4.3	0.0	0.0	0.0	0.0	5.6	£ 1,994.00	356.07
Other major sale of business issues	4.2	0.8	0.0	0.2	0.0	0.0	3.1	£ 1,440.50	464.68
Sale negotiations	0.5	0.3	0.0	0.0	0.0	0.0	0.8	£ 354.00	442.50

Sales pack	1.0	4.9	0.0	0.0	0.6	0.0	6.5	£ 2,109.50	324.54
<b>Total</b>	<b>20.6</b>	<b>40.4</b>	<b>0.0</b>	<b>0.2</b>	<b>46.2</b>	<b>0.0</b>	<b>107.4</b>	<b>£ 31,301.00</b>	<b>291.44</b>
<b>Total</b>	<b>22.2</b>	<b>43.8</b>	<b>0.0</b>	<b>0.2</b>	<b>50.9</b>	<b>0.0</b>	<b>117.1</b>	<b>£ 33,883.00</b>	<b>289.35</b>
<b>Creditors</b>									
<b>1st creditors/shareholders meetings and reports</b>									
Drafting reports	0.0	5.2	2.2	0.2	16.4	0.0	24.0	£ 4,835.00	201.46
Meeting documentation	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 66.00	110.00
Partner/manager review	0.0	0.2	0.0	0.0	0.0	0.0	0.2	£ 61.00	305.00
<b>Total</b>	<b>0.0</b>	<b>5.4</b>	<b>2.2</b>	<b>0.2</b>	<b>17.0</b>	<b>0.0</b>	<b>24.8</b>	<b>£ 4,962.00</b>	<b>200.08</b>
<b>Employees</b>									
Discussions	0.1	0.6	1.2	0.0	0.0	0.0	1.9	£ 481.50	253.42
ERA	0.3	0.2	0.4	0.0	4.4	0.0	5.3	£ 960.50	181.23
Other major issues	0.6	2.0	0.3	0.0	0.0	0.0	2.9	£ 986.50	340.17
<b>Total</b>	<b>1.0</b>	<b>2.8</b>	<b>1.9</b>	<b>0.0</b>	<b>4.4</b>	<b>0.0</b>	<b>10.1</b>	<b>£ 2,428.50</b>	<b>240.45</b>
<b>Unsecured Creditors</b>									
Correspondence/tel	1.1	0.0	0.0	0.0	2.8	0.0	3.9	£ 997.50	255.77
<b>Total</b>	<b>1.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.8</b>	<b>0.0</b>	<b>3.9</b>	<b>£ 997.50</b>	<b>255.77</b>
<b>Total</b>	<b>2.1</b>	<b>8.2</b>	<b>4.1</b>	<b>0.2</b>	<b>24.2</b>	<b>0.0</b>	<b>38.8</b>	<b>£ 8,388.00</b>	<b>216.19</b>
<b>Case Specific Matters - Shareholders</b>									
<b>Shareholders / Members</b>									
Correspondence/tel	0.3	0.0	0.0	0.0	0.0	0.0	0.3	£ 157.50	525.00
<b>Total</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>£ 157.50</b>	<b>525.00</b>
<b>Total</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>£ 157.50</b>	<b>525.00</b>
<b>Case Specific Matters - Legal Matters</b>									
<b>Legal Matters</b>									
Advice	2.8	0.0	0.0	0.0	0.0	0.0	2.8	£ 1,470.00	525.00
Meetings/corres/tel	0.0	1.6	0.0	0.0	0.0	0.0	1.6	£ 488.00	305.00
<b>Total</b>	<b>2.8</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>£ 1,958.00</b>	<b>445.00</b>
<b>Total</b>	<b>2.8</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>£ 1,958.00</b>	<b>445.00</b>
<b>Total Hours</b>	<b>40.9</b>	<b>90.4</b>	<b>12.7</b>	<b>4.4</b>	<b>90.6</b>	<b>0.0</b>	<b>239.0</b>	<b>£ 68,708.00</b>	<b>287.48</b>
<b>Total Time Cost</b>	<b>£ 21,653.50</b>	<b>£ 27,572.00</b>	<b>£ 3,875.50</b>	<b>£ 965.00</b>	<b>£ 14,642.00</b>	<b>£ 0.00</b>	<b>£ 68,708.00</b>		
<b>Average Rates</b>	<b>529.43</b>	<b>305.00</b>	<b>305.16</b>	<b>219.32</b>	<b>161.61</b>	<b>0.00</b>	<b>287.48</b>		

---

# F. A GUIDE TO ADMINISTRATORS FEES

## A GUIDE TO THE ADMINISTRATOR'S FEES

### 1. Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors of a company who hope eventually to recover some of their debts out of the assets and income, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the Administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

### 2. The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- 2.1.1 rescuing the company as a going concern, or
  - 2.1.2 achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or,
  - 2.1.3 if the Administrator thinks neither of these objectives is reasonably practicable realising property in order to make a distribution to secured or preferential creditors.

### 3. The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the Administrator's remuneration. The committee is normally established at the meeting of creditors which the Administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The Administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the Administrator decides he needs to hold one. The committee has power to summon the Administrator to attend before it and provide information about the exercise of his functions.

### 4. Fixing the Administrator's fees

- 4.1 The basis for fixing the Administrator's remuneration is set out in Rule 2.107 of the Insolvency Rules (Northern Ireland) 1991, which states that it shall be fixed either:
- 4.1.1 as a percentage of the value of the property which the Administrator has to deal with, or
  - 4.1.2 by reference to the time properly given by the Administrator and his staff in attending to matters arising in the administration.
- 4.2 It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.107 says that in arriving at its decision the committee shall have regard to the following matters:
- 4.2.1 the complexity (or otherwise) of the case;
  - 4.2.2 any responsibility of an exceptional kind or degree which falls on the Administrator;
  - 4.2.3 the effectiveness with which the Administrator appears to be carrying out, or to have carried out, his duties;
  - 4.2.4 the value and nature of the property which the Administrator has to deal with.
- 4.3 If there is no creditors' committee, or the committee does not make the requisite determination, the Administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the Administrator.
- 4.4 There are special rules about creditors' resolutions in cases where the Administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of —

- 
- 4.4.1 each secured creditor of the company; or
  - 4.4.2 if the Administrator has made or intends to make a distribution to preferential creditors — each secured creditor of the company; and
  - 4.4.3 preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

## **5. What information should be provided by the Administrator?**

### **5.1 When seeking fee approval**

5.1.1 When seeking agreement to his fees the Administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information, which should be provided, will depend on:

- 5.1.1.1 the nature of the approval being sought;
- 5.1.1.2 the stage during the administration of the case at which it is being sought; and
- 5.1.1.3 the size and complexity of the case

5.1.2 Where, at any creditors' or committee meeting, the Administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the Administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the Administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the

Administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the Administrator must fulfill certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the Administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed.

### **5.2 After fee approval**

5.2.1 Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the Administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the Administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the Administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

### **5.3 Expenses and disbursements**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## **6. What if a creditor is dissatisfied?**

- 
- 6.1 If a creditor believes that the Administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the Administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

**7. What if the Administrator is dissatisfied?**

- 7.1 If the Administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the Administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

**8. Other matters relating to fees**

- 8.1 Where there are joint Administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2 If the Administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

**9. Provision of information — additional requirements**

- 9.1 The Administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is:
- 9.1.1 the total number of hours spent on the case by the Administrator or staff assigned to the case;
  - 9.1.2 for each grade of staff, the average hourly rate at which they are charged out;
  - 9.1.3 the number of hours spent by each grade of staff in the relevant period.
- 9.2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Administrator's appointment, or where he has vacated office, the date that he vacated office. The information must be provided within 28 days of receipt of the request by the Administrator, and requests must be made within two years from vacation of office.



## G. WORK UNDERTAKEN TO DATE

Activity	
Administration	<p>Work that must be carried out in order to comply with statutory requirements imposed by the insolvency legislation. This includes filing and advertising of appointment documents, requesting Directors' Statement of Affairs, handling of receipts and payments, consideration of VAT, income tax and pension matters undertaking file reviews and consideration of case planning and strategy, dealing with redirected mail, liaising with the Directors.</p> <p>Further details of the work done in this category can be found earlier in this report at page 5.</p>
Realisation of assets	<p>All aspects of the realisation of assets including identifying, securing and insuring assets such as property and chattels. Other matters include dealing with landlords and dealing with third party assets and the owners' claims.</p> <p>As referred to previously in this report significant time has been incurred in this category as a result of the accelerated sales process conducted by the Joint Administrators immediately following their appointment. Time has also been incurred liaising with the Company's former bankers to obtain the cash that was held in the Company's former bank account.</p> <p>Further time will be incurred in this category dealing with our solicitors and the purchaser in order to conclude a sale of the Company's business and assets, and the landlord to collect the Company's rent deposit.</p>
Creditors	<p>Includes dealing with employee and creditor queries, including obtaining information from the case records about employee claims and assisting employees with their submission to the redundancy payments service. Time has also been incurred liaising with the redundancy payments service regarding employee claims.</p> <p>Time has also been incurred in drafting these proposals to creditors.</p>
Investigations	<p>Collection and review of the Company's records in order to assist in our investigations and identify any potential or actual asset recoveries, antecedent transactions, transactions at under value or voidable dispositions.</p> <p>The Joint Administrators have incurred time conducting an initial review of the Company's accounting system and bank statements. They have also incurred time holding discussions with the Directors of the Company regarding events leading up to the Administration.</p> <p>Time has been incurred in connection with enquiries to enable submission of a return/report to the insolvency service on all persons who were Directors of the Company in the three years prior to the appointment of Joint Administrators. Further investigation work will be required.</p>
Trading	No trading has occurred.
Case specific matters	Comprises time spent liaising with legal advisors regarding the sale of the Company's business and / or assets and other investigation matters, including dealing with correspondence from other professional advisers to the Company concerning the Directors' previous Administration application.

# H. RSM RESTRUCTURING ADVISORY LLP CURRENT CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT AND CHARGE OUT RATES

## Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Central region are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

## Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Central region will be proposed to the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

## Hourly charge out rates

	<i>Rates at commencement and current rates</i> £
Partner	525 – 625
Directors / Associate Directors	345 – 460
Manager	260 – 300
Assistant Managers	175 – 205
Administrators	110 – 175
Support staff	100



# I. NOTICE OF THE CREDITORS MEETING

Rule 2.036

Form 2.20B

## Notice of a Meeting of Creditors

No: 20/042987

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND  
CHANCERY DIVISION (COMPANY INSOLVENCY)

\*Insert name of  
company

IN THE MATTER OF COOL DATA CENTRES (LINCOLN) LTD Company No: NI651391

AND IN THE MATTER OF THE INSOLVENCY (NORTHERN IRELAND) ORDER 1989.

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

Notice is hereby given by (a) Adrian Allen of RSM Restructuring Advisory LLP, Suite A, 7th Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS and Tyrone Courtman of RSM Restructuring Advisory LLP, Rivermead House, 7 Lewis Court, Grove Park, Enderby, Leicestershire, LE19 1SD

(b) Insert full name of  
the company and  
address of registered  
office

That a meeting of the creditors of (b) Cool Data Centres (Lincoln) Ltd, C/O RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG

(c) Insert details of  
place of meeting

Is to be held (c) remotely

(d) Insert date and time  
of meeting

on (d) 9 October 2020 at 10:30 hrs

In order to comply with current government and health care advice during the Covid-19 pandemic a physical meeting of creditors cannot take place. In order to provide creditors with the opportunity to participate in the meetings, the meetings will be held remotely by telephone and/or video conferencing facilities.

In order to make suitable arrangements to ensure that all those wishing to participate are able to take part, creditors are requested to submit their proxy form in advance of the meeting and indicate that they wish to be sent details by email of how they may participate in the meeting at the required time.

The meeting is:

\*Delete as applicable

\*(1) an initial creditors' meeting under paragraph 52 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 ("the Schedule");

~~\*(2) an initial creditors' meeting requested under paragraph 53(2) of the Schedule B1~~

~~\*(3) to consider revisions to my proposals under paragraph 55(2) of the Schedule;~~

~~\*(4) a further creditors' meeting under paragraph 57 of the Schedule;~~

~~\*(5) a creditors' meeting under paragraph 63 of the Schedule.~~

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented. Forms of proxy can be lodged at the offices of RSM, Central Square, 29 Wellington Street, Leeds LS1 4DL, or emailed to [Ross.Taylor@rsmuk.com](mailto:Ross.Taylor@rsmuk.com)

In order to be entitled to vote under Rule 2.039 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed



Joint Administrator

Dated: 23 September 2020

\*Delete as applicable

A copy of the \*proposals / ~~revised proposals~~ is attached

---

## J. RESOLUTIONS

The Joint Administrators are requesting that the following resolutions be decided upon.

**Decisions sought:**

1. That the Joint Administrators' Proposals dated 23 September 2020 be approved
2. That a creditors' committee will **not** be appointed
3. That the Joint Administrators shall be authorised to pay their outstanding pre-administration fees of £6,684 plus VAT as set out in their Proposals dated 23 September 2020
4. That the Joint Administrators shall be authorised to draw their fees on a time cost basis as set out in their Proposals dated 23 September 2020
5. That the Joint Administrators shall be authorised to pay their category 2 disbursements on the basis set out in their Proposals dated 23 September 2020

# K. PROXY FORM

Rule 2.22, 8.1

Form 8.2

## Insolvency (Northern Ireland) Order 1989 PROXY - Administration

No. 20/042987

### IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND CHANCERY DIVISION (COMPANIES)

\*Insert name of  
company

In the matter of Cool Data Centres (Lincoln) Ltd  
and in the matter of the Insolvency (Northern Ireland) Order 1989

Notes to help  
completion of the  
form

Name of Creditor:

Please give full  
name and address  
for communication

Address:

E-mail Address:

Please insert name  
of person (who  
must be 18 or over)  
or the "Chairman of  
the meeting". If you  
wish to provide for  
alternative proxy-  
holders in the  
circumstances that  
your first choice is  
unable to attend  
please state the  
name(s) of the  
alternatives as well.

Name of proxy-holder

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Please delete the  
words in brackets if  
the proxy-holder is  
only to vote as  
directed, i.e. he has  
no discretion

I appoint the above person to be my/the Creditors proxy-holder at the meeting of Creditors to be held on 9 October 2020 at 10:30am or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

#### Voting instruction for resolutions

1. Please complete the voting resolutions on the other side of this form.

This form must be  
signed

Signature:

Date:

Name in CAPITAL LETTERS:

Position with Creditor or relationship to Creditor or other authority for signature.

Only to be  
completed if the  
Creditor has not  
signed in person

**Remember: there may be resolutions on the other side of this form**

---

**Resolution 1****Yes**   **No**

That the Joint Administrators' Proposals dated 23 September 2020 be approved

--	--

**Resolution 2****Yes**   **No**That a creditors' committee will **not** be appointed

--	--

**Resolution 3****Yes**   **No**

That the Joint Administrators shall be authorised to pay their outstanding pre-administration fees of £6,684 plus VAT as set out in their Proposals dated 23 September 2020

--	--

**Resolution 4****Yes**   **No**

That the Joint Administrators shall be authorised to draw their fees on a time cost basis as set out in their Proposals dated 23 September 2020

--	--

**Resolution 5****Yes**   **No**

That the Joint Administrators shall be authorised to pay their category 2 disbursements on the basis set out in their Proposals dated 23 September 2020

--	--

---

# L. COMMITTEE CONSENT TO ACT

Rule 2.052 of the Insolvency Rules (Northern Ireland) 1991 (as amended)

In the High Court of Justice In Northern Ireland Chancery Division (Companies) No 042987 of 2020

Cool Data Centres (Lincoln) Ltd - In Administration ("the Company")

Company No: NI651391

---

Adrian Allen and Tyrone Courtman appointed as Joint Administrators to the above Company on 3 August 2020

Creditors' committee consent to act

---

*If you personally are a creditor, please complete only Part A of this form*

*If you represent a creditor (eg your employer), please complete only Part B*

## Part A

I hereby consent to act as a member of the creditors' committee in respect of the Administration of the above-named Company. I also confirm my eligibility\* to act.

Your name:

Your address:

Telephone:

E-mail:

Please sign here:

Dated:

## Part B

I am duly authorised by proxy to act as a representative of the below named company as its representative on the Creditors' committee in respect of the Administration of the above-named company, and hereby consent to do so. I also confirm my eligibility\* to act.

Representative's name:

Creditor represented:

Representative's position in  
relation to the creditor:

Representative's address:

Telephone:

E-mail:

Please sign here:

Dated:

---

\* Eligibility for membership of the Creditors' committee

A creditor is eligible to be a member of the committee if:

- a) They have proved for a debt,
- b) The debt is not fully secured, and
- c) Their claim has neither been wholly disallowed for voting purposes nor wholly rejected for the purpose of distribution

A committee member cannot be:

- a) An undischarged bankrupt (or, in Scotland, a person whose estate has been sequestrated and who has not been discharged),
- b) Subject to a full or interim Bankruptcy Restriction Order or Undertaking, or a Debt Relief Restrictions Order or Undertaking,
- c) Be a disqualified director
- d) A person to whom a moratorium period under a debt relief order applies.



# M. PROOF OF DEBT FORM

## Proof of Debt - General Form

No. 20/042987

### IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND CHANCERY DIVISION (COMPANIES)

IN THE MATTER OF **COOL DATA CENTRES (LINCOLN) LTD**  
AND IN THE MATTER OF THE INSOLVENCY (NORTHERN IRELAND) ORDER 2005

Date of Administration – 3 August 2020		
1	Name of Creditor (If a company please also give company registration number).	
2	Address of creditor for correspondence.	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	£
4	Details of any document by reference to which the debt can be substantiated. [Note: There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7	Particulars of any security held, the value of the security, and the date it was given.	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9.	Signature of creditors or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Address of person signing (if different from 2 above)	