



For further information, please
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1 Company details

Company number

Company name in full

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

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.

AM10

Notice of administrator's progress report

6

Period of progress report

From date

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To date

d

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Progress report

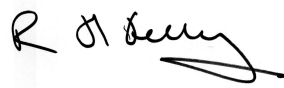
☐ I attach a copy of the progress report**8**

Sign and date

Administrator's
signature

Signature

X



X

Signature date

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**Presenter information**

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

TO ALL KNOWN CREDITORS

6 June 2022

Ref: HK/ CGJK/ BL/ AP
Email: spicersadministration@uk.ey.com

Dear Sirs

Spicers Limited (in Administration) (“the Company”)

High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List (ChD), Number CR-2020-BHM-000302

On 14 May 2020, the Company entered Administration with R H Kelly and C G J King appointed to act as Joint Administrators (‘the Joint Administrators’). The appointment was made by the Company’s directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the administration.

This report covers the period from 14 November 2021 to 13 May 2022 and should be read in conjunction with the Joint Administrators’ Statement of Proposals (‘the Proposals’) dated 21 May 2020 and our previous reports dated 11 December 2020, 9 June 2021 and 7 December 2021. Statutory information about the company, the administration and the office holders is given at Appendix 1.

Summary of progress since last report

Debtors

As at the date of the Administration, the book value of the Company’s debtor ledger, excluding intercompany debts was £17.5m. To date, there have been collections of £10.5m against this balance received.

During the period of this report receipts directly into the Administration bank account totalled £176,483, primarily relating to settlement of a larger debtor balance.

We have agreed full and final settlements with four of the largest five debtors. These settlements followed protracted discussions and legal correspondence, as well as principal to principal meetings. There is still £0.1m to be received under a deferred payment agreement with one of the debtors.

There remains one larger debtor balance where we are continuing to encounter difficulty in agreeing what we consider to be contractually due.

Our legal advice confirms that there are substantive grounds to pursue this debt and detailed discussions are ongoing between the Company and the debtor to achieve an agreement. In the event that we are unable to reach a satisfactory agreement, we will look to pursue this debt through the courts to recover what we believe is rightfully due to the Company.

The Company has sufficient assets in the estate to fund legal actions against this debtor. We have also engaged with litigation funders to consider the merits of external funding as an alternative.

A debt collection agent (JP Associates) was engaged in December 2020 to assist with the recovery of the lower value outstanding debts. Collections totalling £45,838 have been received by the debt collection agent directly and are not yet reflected in the receipts and payments. The debt collection agent will continue to pursue the outstanding debts and we will look to commence legal recovery proceedings where appropriate.

Distribution Exercise

As previously reported, the Company made distributions in respect of the BECAP12 secured debt of £8,901,522 for settlement of the principal amount, plus accrued interest and charges. This debt was cross guaranteed by certain entities within the Company's group including the Company. Additionally, OfficeTeam Limited (in Administration) ("OfficeTeam") settled the £2,335,695 debt owed by the Company to Lloyds Banking Group ("LBG") on its Invoice Discounting Facility ("IDF") account.

We are currently undertaking an exercise (the "Distribution Exercise") to determine the quantum of any subrogated claims the Company may have against the other guarantors of the BECAP and LBG indebtedness and that other guarantors may have against it in relation to these payments.

This position requires complex consideration of the intercompany balances owed between the Company, OfficeTeam and another 25 corporate group entities which guaranteed the liabilities due to BECAP12. Having taken detailed legal advice on the position, the Administrators consider that the other companies are each indebted to the Company due to its over contribution under the guarantee, resulting in a subrogated claim. The value of the subrogated claim will depend upon the assets the relevant company has. These assets typically comprise a dividend distribution on group intercompany indebtedness.

The Distribution Exercise is further complicated by the fact there are various secured and unsecured intercompany debts within the group. The Administrators are continuing to undertake an exercise to analyse this to determine the impact this will have on any distribution to the Company's unsecured creditors.

Extension of the Administration

The Administration was extended by order of the court on 11 April 2022 for a period to 13 May 2023. The reasons for extending the administration include the following:

- to conclude the assessment of the Distribution Exercise;
- to conclude the book debt collection process;
- to make distributions to the secured creditors;
- to deal with preferential creditor claims and make a distribution to the preferential creditors
- to agree the unsecured creditor claims and make a distribution to creditors from the prescribed part or from any residual floating charge realisations as appropriate; and
- to conclude any other such actions required to be undertaken by the Administrators to fulfil the purpose of the Administration.

Receipts and payments account

A summary of our receipts and payments for the period from 14 May 2020 to 13 May 2022 is attached at Appendix 2. The receipts and payments do not reflect estimated future realisations or costs.

Having settled the claims of the secured creditors, being BECAP12 and LBG, the joint administrators hold funds of c.£5.2m on behalf of the creditors.

Investigations

During the period prior to the report we had undertaken an investigation into the Company's affairs prior to our appointment pursuant to Statement of Insolvency Practice Number 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986, with the necessary confidential returns made to the Insolvency Service.

No investigations are continuing and no third-party funding has been provided.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis by a resolution of the creditors on 8 June 2020.

During the period covered by this report, we have incurred time costs totalling £130,547, taking total post-Administration time costs incurred to date to £3,370,136. Of this sum, £1,737,684 has been paid. An analysis of the time spent, and a comparison with the fee estimate dated 21 May 2020 is attached as Appendix 4 to this report.

We anticipate that our remuneration will exceed the previous fee estimate. This increase reflects the additional time that has necessarily been spent by the Joint Administrators and their staff.

As previously reported, the property sale exercise took an extended period to complete which included negotiating an extension to the license to occupy and an extended marketing process. This work had a beneficial impact on the sale price and resulted in improved recoveries for the benefit of the unsecured creditors.

Additionally, the trade debtor collection exercise raised a significantly greater level of disputes than anticipated and these required detailed interrogation and collating and reviewing of supporting documentation. The debt collection exercise has also been hindered by Covid-19 and we have had to have detailed consideration of the impact of Covid-19 and reach agreements on payment plans or

consider alternate collection methods. The time spent continues to result in additional recoveries for the benefit of the unsecured creditors.

Time has also been spent in undertaking the Distribution Exercise, which was not originally foreseen and is complex and requires careful consideration given its impact on any distribution to the Company's unsecured creditors.

We will not draw remuneration in excess of the initial fee estimate without the prior approval of creditors and will be writing to the creditors in due course with a revised fee estimate.

Joint administrators' statement of expenses incurred

During the period covered by this report, we made payments, excluding Joint Administrators' remuneration and disbursements, totalling £37,392 plus VAT. An analysis of the expenses incurred is provided at Appendix 3 of this report.

An explanation where these costs for the period have resulted in the total costs exceeding the original expenses estimate is given below:

- £5,417 - Storage charges: charges for storing the Company's books and records collected from the Company's sites. Further charges are expected to be incurred.
- £27,953 - Legal fees: costs have exceeded the original estimate due to legal advice being required in respect of an extended number of disputes made by debtors and advice provided regarding the Distribution Exercise.
- £434 – Travel and Meeting Room costs: charges incurred by the administrators and their staff in attending in-person meetings for the purpose of collecting assets deemed due to the Company.

Distributions to creditors

Secured creditors

As previously advised, LBG, the Company's first ranking secured creditor, had a total indebtedness of £12,913,614 due as at the date of Administration. Additionally, the Company provided cross guarantees to LBG for monies owed by OfficeTeam and ZenOffice Limited, increasing LBG's overall indebtedness to £17,154,991, with further interest and charges accruing post the appointment of Administrators.

Following the sale of the freehold property the Company settled the outstanding LBG property loan in full, repaying LBG's remaining indebtedness on the loan of £1,915,028.

During the period prior to the report, net receipts relating to debtor collections in the IDF account totalled £8,705,976. After accounting for £650,000 of property loan payments made from the IDF account, there was an outstanding direct indebtedness of £2,335,695. This amount was settled by an application of funds from a surplus in the OfficeTeam IDF account, which LBG was entitled to under their cross guarantee. The debt owed to LBG on the IDF account by the Company has been settled in full and OfficeTeam has a subrogated claim against Spicers Limited for the value of £2,335,695.

On appointment a principal sum of £7,466,666 was owed to BECAP12 from The Spicers-OfficeTeam Group Limited, with interest outstanding. The Company had guaranteed this debt which benefits from a second ranking security behind the LBG indebtedness.

As previously reported, the Company made distributions in respect of the BECAP12 debt of £8,901,522 for settlement of the principal amount, plus accrued interest and charges. This debt was also cross guaranteed by certain other entities within the Company's group, and we are seeking to determine the quantum of and value from any resultant subrogated claims between the entities in the Company's group.

Preferential creditors

Preferential claims received to date total £273,085. Based upon current information, we anticipate that these claims will be paid in full.

Non-preferential creditors

Unsecured claims totalling £26,625,224 have been received to date. Creditor claims continue to be submitted and it is not possible at this time to provide an accurate estimate of total unsecured claims.

It is not possible at this time to provide an estimate of the amount of any dividend to unsecured creditors as the level of funds available to unsecured creditors remains dependent upon the further debtor recoveries, the outcome of Distribution Exercise and the final quantum of unsecured creditor claims. The Administrators believe that there will be a distribution available to unsecured creditors, however the quantum remains uncertain.

Prescribed Part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

As the secured creditors have been paid in full from fixed charge realisations the Prescribed Part will not apply as the floating charge funds will be available to unsecured creditors.

Remaining work

The Joint Administrators will continue to manage the affairs, business and property of the Company to achieve the purpose of the Administration. Future tasks will include, but may not be limited to, the following:

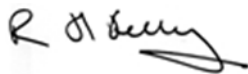
- Continuing debtor collections to maximise recoveries for creditors.
- Conclude the assessment of the Distribution Exercise.
- Dealing with preferential creditor claims and making a distribution to the preferential creditors.
- Dealing with employee with unsecured creditor queries.
- Agreeing unsecured creditor claims and making a distribution to creditors.
- Dealing with corporation tax and VAT matters, including filing statutory returns.
- Dealing with statutory reporting and compliance obligations.

- Finalising the Administration, including payments of all Administration period liabilities.
- If the Joint Administrators deem appropriate, to seek an extension and/or further extensions to the Administration from the Court or a move into Creditors' Voluntary Liquidation.
- Any other actions required to be undertaken by the Joint Administrators to fulfil the purpose of the Administration.

Next report

We will report to you again in six months' time or at the conclusion of the Administration, whichever is the sooner.

Yours faithfully
for the Company



R H Kelly
Joint Administrator

R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland. C G J King is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, R H Kelly and C G J King, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List (ChD)
Court reference:	CR-2020-BHM-000302
Registered name of the Company:	Spicers Limited
Registered office address of the Company:	c/o Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Registered number:	00425809
Country of incorporation (for a Company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	14 May 2020
Details of any changes of Administrator:	None
Full names of the Joint Administrators:	Robert Hunter Kelly and Charles Graham John King
Office Holder number(s):	8582 and 8985
Joint Administrators' address(es):	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Telephone number:	+44 113 298 2224
Name of alternative person to contact with enquiries about the case:	Ben Leach

Appendix 2

Spicers Limited (in Administration)

Joint Administrators' Receipts and Payments from 14 May 2020 to 13 May 2022

Statement of Affairs Estimated to Realise Values (£)		1,2	Period from		Period from		Total
			14 May 2020 to 13 November 2021 2021 (£)	14 November 2021 to 13 May 2022 (£)	14 November 2021 to 13 May 2022 (£)		
Fixed charge receipts (excludes debts assigned to LBG)							
70,000			Intellectual Property	120,000	-		120,000
13,000,000			Freehold Property	15,005,000	-		15,005,000
12,659,015	3		Debtors to be transferred to IDF account	60,367	0		60,367
			Debtors received in the Administration account	730,000	176,483		906,483
	4		Bank interest	279	533		811
				15,915,646	177,016		16,092,662
Fixed charge payments							
			Property Agent Fees	112,538	-		112,538
	3		Debtor Collection Agent Commission	655,113	-		655,113
			Erroneous Debtor Receipts Returned	510	-		510
			Transfer to Debtor Collection Account	60,367	-		60,367
			Agents fees - Intellectual Property Sale	10,200	-		10,200
			Legal fees settled for OTT and Other Co-Guarantors	-	2,604		2,604
			Bank charges	1	-		1
				838,729	2,604		841,333
Payments to Secured Creditors							
			Secured Creditor Distribution to LBG (Property Loan)	1,915,028	-		1,915,028
			Secured Creditor Distribution to BECAP12	8,901,521	-		8,901,521
			Withholding Tax on BECAP12 Distribution	258,437	-		258,437
				11,074,986	-		11,074,986
Net fixed charge realisations							
				4,001,930	174,412		4,176,342
Floating charge receipts							
Asset realisations							
			Stock	821,521	-		821,521
125,000			Fixtures and Fittings	150,700	-		150,700
412,220			Cash at bank at date of appointment	440,246	-		440,246
			Freehold Property Rent	807,876	-		807,876
111,169			Apportionments	110,391	-		110,391
12,449			Deposits and Prepayments	318,853	-		318,853
Transfer receipts							
			HMRC Furlough Receipt	128,869	-		128,869
			Employee Costs Funded by OTG	302,281	-		302,281
			Property Costs Funded by OTG (LTO Property)	47,674	-		47,674
			Property Costs Funded by OTG (Non-LTO Properties)	161,520	-		161,520
	3		Transfer From Debtor Collection Account for Commission	629,869	-		629,869
Other receipts							
	4		Bank Interest	765	57		821
				3,920,566	57		3,920,622
Floating charge payments							
			Pre-Administration Costs	107,794	-		107,794
Costs of realisations:							
			Purchase Ledger Update Cost	6,250	-		6,250
			Contractor Costs (Debtors, Rebates and Customer Contrac	20,532	-		20,532
			Other Costs	1,949	-		1,949
Expenses:							
			Bank Charges	209	7		217
			Insurance	4,086	2,841		6,928
			Storage Charges	5,051	5,417		10,468
			Statutory Costs	95	-		95
Employees:							
			Employee Costs (Property Exit)	140,367	-		140,367
			Employee Costs (Debtor Realisation)	87,250	-		87,250
			Employee Costs (Furlough)	131,875	-		131,875
			Employee Costs (Other)	68,269	-		68,269
Property:							
			Property Payments (LTO Properties)	44,167	-		44,167
			Property Payments (Non-LTO Properties)	161,520	-		161,520
Professional Fees:							
			Legal Fees	264,141	25,349		289,490
			Other Professional Fees	34,748	-		34,748
Administrators' Expenses:							
			Administrators' Remuneration	1,102,000	635,684		1,737,684
			Administrators' Disbursements	1,600	1,173		2,773
				2,181,905	670,472		2,852,377
Net floating charge realisations							
				1,738,661	(670,416)		1,068,245
Total net realisations							
				5,740,591	(496,004)		5,244,587
Funds in Hand							
			Cash at bank	5,699,193	(630,049)		5,069,143
			VAT Receivable / (Payable)	41,399	134,045		175,444
				5,740,591	(496,004)		5,244,587

Notes

1. Receipts and payments are stated net of VAT.
2. This receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. As a result of the assignment of trade debtors, the related debtor receipts are an asset of the fixed charge holder, Lloyds Bank PLC ("LBG"), which has control of the IDF account into which receipts were paid. The receipts received into this account are not reflected in the summary of receipts and payments.

In June 2021, the IDF account was closed. A summary of the funds that were applied against LBG's indebtedness is shown below:

	Total
	(£)
Trade debtor balance - At appointment	20,399,815
Less: Irrecoverable intercompany balance	(2,838,358)
Debtor balance	17,561,457
Debtor collections received into IDF account	9,578,418
Commissions on debtor collections paid from IDF	(629,869)
LBG IDF Interest and service charges	(242,573)
Net debtor collections enabling a reduction in the LBG IDF debt	8,705,976
Repayments against the Company's mortgage	(650,000)
Net collections enabling a reduction in the IDF debt	8,055,976
Spicers IDF debt	(10,391,671)
Spicers deficit	(2,335,695)
Application of funds from OfficeTeam's IDF surplus	2,335,695
LBG IDF indebtedness	-

4. All funds were held in interest bearing accounts during the Period.

Appendix 3

Spicers Limited (in Administration)

Summary of expenses incurred

Type of Expense	Paid in Period to 13 November 2021	Paid in Period to 13 May 2022	Outstanding 3	Total	Per Estimate Dated 21 May 2020
	£	£	£	£	£
Payments made from the estate which are not disbursements ¹					
Fixed charge					
Erroneous Debtor Receipts Returned	510	-	-	510	-
Transfer to Debtor Collection Account	60,367	-	-	60,367	-
Legal costs - Pinsent Masons LLP (Legal advice and documentation for sale of property)	-	-	-	-	30,000
Agent's costs - Jones Lang LaSalle (Sale of property)	112,538	-	-	112,538	110,000
Agent's fees - Intellectual Property Sale	10,200	-	-	10,200	-
Bank charges	1	-	-	1	-
Floating charge					
Pre-Administration Costs					
Pre-Administration: EY Fees	48,928	-	-	48,928	- ⁴
Pre-Administration expenses: Legal Fees	38,866	-	-	38,866	- ⁴
Pre-Administration expenses: Agents' Fees	20,000	-	-	20,000	- ⁴
Costs of realisations					
Debtor Collection Agent Commission	655,113	-	-	655,113	1,385,000
Purchase Ledger Update Costs	6,250	-	-	6,250	-
Contractor fees (Debtors, Rebates and Customer Contracts)	20,532	-	-	20,532	-
Other Costs - Smart Room fee	649	-	-	649	1,000
Other Costs – Postage redirection	963	-	-	963	-
Other Costs – Payment to release stock	336	-	-	336	-
Other Costs – Test Payment	1	-	-	1	-
Expenses					
Insurance costs	4,086	2,841	-	6,928	65,000
Bank Charges	209	7	-	218	1,000
Statutory costs	95	-	-	95	1,000
Storage costs	5,051	5,417	-	10,468	-
Employees					

Employee costs (Exit from properties)	140,367	-	-	140,367	200,000
Employee costs (Debtor Realisation)	87,250	-	-	87,250	140,000
Employee costs (Furlough)	131,875	-	-	131,875	-
Employee costs (Other)	68,269	-	-	68,269	-
Property					
Property occupation costs (rent, service charge and insurance rent)	205,687	-	-	205,687	180,000
Professional Fees					
Legal costs - Pinsent Masons LLP	251,904	27,953	-	279,857	65,000
Legal costs - Clarion Solicitors	12,237	-	-	12,237	-
Agent's costs - Gordon Brothers (Clearance of trading premises, collection of IT hardware and sales commission)	32,139	-	-	32,139	30,000
Agent's costs - Daisy Software (IT decommissioning)	1,660	-	-	1,660	-
Agent's costs - Colliers International Property Consultants (Property advice)	950	-	-	950	-
Administrators' Disbursements					
Specific penalty bond	1,280	-	-	1,280	1,280
Postage and printing	320	739	8	1,067	3,500
Conference Call facilities	-	-	-	-	5,000
Travel	-	431	-	431	-
Meeting Rooms	-	3	-	3	-
Totals	1,918,635	37,392	8	1,956,034	2,217,780

Notes

1. Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors. The payments shown are set out by type of expense.
2. SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - ▶ Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - ▶ Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

3. Outstanding expenses relate to expenses incurred within the reporting period but which were yet to be settled by the Joint Administrators.
4. The pre-administration fees and expenses were not included in the estimate of expenses dated 21 May 2020. They were requested as part of the decision procedure by correspondence issued to creditors with the proposals on 21 May 2020 and were subsequently approved by a creditors' resolution dated 8 June 2020.

Appendix 4

Spicers Limited (in Administration)

Joint Administrators' time costs for the period from 14 May 2020 to 13 May 2022 and a comparison with the fee estimate dated 21 May 2020

	Total to 13 November 2021			Actual in this period			Actual in this period and total to 13 May 2022			Per Fee Estimate dated 21 May 2020		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	544.9	214,626.5	394	52.9	15,714.0	297	597.8	230,340.5	385	195.4	99,839.0	511
Bank & Statutory Reporting	293.2	188,825.5	644	12.0	6,480.0	540	305.2	195,305.5	640	237.3	124,498.0	525
Creditors	531.8	249,380.8	469	54.0	26,824.0	497	585.8	276,204.8	472	483.5	246,808.0	510
Debtors	2,024.1	1,351,165.5	668	38.0	29,667.5	781	2,062.1	1,380,833.0	670	411.3	213,702.0	520
Employee Matters	815.8	343,188.0	421	10.3	5,729.0	556	826.1	348,917.0	422	453.0	255,246.0	563
Immediate Tasks	43.7	25,933.0	593	2.0	1,090.0	545	45.7	27,023.0	591	54.8	30,288.0	553
Investigation & CDDA	87.2	44,492.0	510	-	-	-	87.2	44,492.0	510	92.9	49,719.0	535
Job Acceptance & Strategy	53.5	22,797.0	426	-	-	-	53.5	22,797.0	426	61.3	32,271.0	526
Other Assets	100.9	71,532.0	709	-	-	-	100.9	71,532.0	709	106.8	65,695.0	615
Other Matters	212.7	101,201.0	476	21.0	13,247.5	631	233.7	114,448.5	490	138.1	73,519.0	532
Property	484.3	269,561.0	557	-	-	-	484.3	269,561.0	557	274.8	139,057.0	506
Public Relations	3.0	1,905.0	635	-	-	-	3.0	1,905.0	635	9.6	6,188.0	645
Retention of Title	396.2	201,660.0	509	-	-	-	396.2	201,660.0	509	352.0	205,574.0	584
Statutory Duties	164.1	83,810.5	511	21.8	13,190.0	605	185.9	97,000.5	522	217.1	120,948.0	557
VAT & Taxation	129.2	69,511.0	538	34.0	18,605.0	547	163.2	88,116.0	540	115.9	74,333.0	641
Total	5,884.6	3,239,588.80	551	246.0	130,547.00	531	6,130.6	3,370,135.80	550	3,203.9	1,737,684.00	542

Summary of work

The Joint Administrators have incurred time costs in dealing with, inter alia, the following matters:

- ▶ **Accounting and Administration** – includes general administrative duties and overall management of the case, including maintaining the Joint Administrators' treasury and accounting functions, statutory compliance diaries and time costs reporting.
- ▶ **Bank and Statutory Reporting** – includes statutory and other reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, six monthly progress reports and filings of documents at Companies House, and regular reporting to the secured creditors.
- ▶ **Creditors** – Dealing with creditor claims, correspondence with creditors, answering specific creditor queries, processing of distributions to the secured, preferential and unsecured creditors under the Prescribed Part (as applicable).
- ▶ **Debtors** – time spent in monitoring and collecting the £17.6m debtor ledger and liaising with OTG in their role as debtor collection agents, to ensure maximum value is realised. A significant amount of time has been spent realising trade debtors as a result of the large number of complex or disputed debtor positions in the ledger. This has included a substantial amount of time invested in discussions with individual debtors and dealer groups in order to progress the recovery of large debtor balances, involving working through alleged counter-claims and rebates. Some counter-claims are without foundation and others have involved some detailed work being undertaken to quantify rebate entitlements etc.

The collections process has been impacted by Covid-19 resulting in delays in debtors being able to provide supporting information, making payments or reaching settlement agreements, with temporary restrictions on the Administrators' ability to commence enforcement proceedings to recover unpaid debts.

- ▶ **Employee matters** – time spent in assessing staffing requirements and dealing with redundancy procedures, including correspondence and calls with employees on appointment, answering queries, filing forms and liaising with the Redundancy Payments Service, and processing of claims. The time spent has also been impacted by Covid-19, including liaising with HMRC in relation to pre-Administration furlough claims and the distribution of furlough funds to employees. It also includes dealing with retained employees and the processing of the monthly payroll for the retained employees.
- ▶ **Immediate tasks** – relates to carrying out immediate tasks on appointment and duties such as speaking with the Company directors, gathering information to enable the Administrators to carry out their statutory duties, requesting key items of information, extension of the Administration and carrying out day 1 activities.
- ▶ **Investigation & CDDA** – carrying out investigations required by Statement of Insolvency Practice No. 2, preparation and submission of return to the Directors' Conduct Reporting Service and considering any issues which the Joint Administrators are made aware of by creditors or other parties.
- ▶ **Job Acceptance and Strategy** – Matters relating to the appointment and initial planning of the Administration strategy, including meetings with the Company's directors and management and formulating and executing the strategy adopted, and time spent in complying with the firm's internal compliance and job acceptance procedures on appointment.

- ▶ **Other Assets** – principally relates to realising intellectual property and residual IT hardware which have been collected from employees. Assessing and seeking to realise value from other identified assets not recorded in the management accounts of the Company at the date of appointment.
- ▶ **Other Matters** – relates to time spent in relation to managing the Sale & Purchase Agreement in place with OTG. Corresponding with the appointed insurance broker, dealing with any assets owned by third parties, dealing with the Company's physical books and records, and electronic records (including a backup of Company servers and systems), and other general enquiries.
- ▶ **Property** – time spent dealing with the sale of the freehold property, liaising with the landlords of properties vacated and other property related issues including corresponding with utility and business rate providers in respect of the Company's 6 leasehold premises.
- ▶ **Public Relations** - time spent issuing statements to the press as required.
- ▶ **Retention of Title** - time spent assessing and settling claims for retention of title from 193 of the Company's suppliers.
- ▶ **Statutory duties** – time spent in complying with statutory matters including statutory filing with Companies House and the Court, notification of the Joint Administrators' appointment to creditors and members, advertising of the appointment, and writing to creditors pursuant to Statement of Insolvency Practice 16 regarding the sale of the Company's assets.
- ▶ **VAT and taxation** - investigating the Company's VAT and corporation tax position up to the date of appointment, removing the Company from the VAT group and applying for a new VAT registration to enable recovery of post Administration VAT. Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration, preparation of VAT and corporation tax returns for the post appointment period and preparing claims for VAT bad debt relief, where applicable.