

TO ALL KNOWN CREDITORS

7 December 2020

Ref: R/SJW/PT/CD/MF/GasTag

Email:
Mawgaen.Farrell@parthenon.ey.com

Dear Sirs

Gas Tag Ltd (in Administration) ('the Company')

I write further to my appointment as Joint Administrator of the Company and attach a copy of my Statement of Proposals ('the Proposals') in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986.

As you will note from the Proposals, we consider it unlikely that sufficient funds will be available to enable a distribution to unsecured creditors other than by virtue of the prescribed part. As a consequence, I do not propose to seek a decision on approval of the Proposals from creditors.

Creditors whose debts amount to at least 10% of total debts of the Company may requisition a decision (either by a decision procedure or deemed consent procedure) on approval of the Proposals if they deliver to me, within 8 business days of the date of delivery of the Proposals, a request which fulfils the requirements of Rule 15.18 of the Insolvency (England and Wales) Rules 2016 (the Rules). In accordance with Rule 15.19 of the Rules, I may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until I have received the required sum.

In the event that a decision is not requested by creditors under paragraph 52(2)(c) of the Insolvency Act 1986, the Proposals will be deemed to be accepted. The basis of the Joint Administrators' remuneration and Category 2 disbursements will be approved by the secured creditors and the preferential creditors in accordance with the provisions of Rule 18.18 of the Insolvency (England and Wales) Rules 2016.

As the Joint Administrators propose to ask for the basis of their remuneration to be fixed on a time-cost basis, they are required to provide creditors with an estimate of the remuneration to be charged and details of expenses incurred and likely to be incurred. The information is attached as an appendix to this letter.

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the Administration, please do not hesitate to contact Mawgaen Farrell of this office at Mawgaen.Farrell@parthenon.ey.com.

Yours faithfully
for the Company



J P Sumpton
Joint Administrator

Encs: Joint Administrators' Statement of Proposals
Fee estimate and details of expenses

S J Woodward is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales and J P Sumpton is licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and J P Sumpton, 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 General Data Protection Regulation 2016/679, 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 at www.ey.com/uk/officeholderprivacy.

Appendix A Fee estimate and estimate of expenses

Estimate of remuneration to be charged

The Joint Administrators intend to seek approval for their remuneration to be fixed on a time cost basis. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, they set out below their estimate of remuneration to be charged.

The estimate of remuneration is £806,669 plus VAT. An explanation of how this sum has been arrived at is set out below and a more detailed breakdown of the expected costs is at the end of this document.

Category of work	Description of work to be completed	Estimated time and cost	
		Hours	£
Accounting & Administration	<ul style="list-style-type: none"> ▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting. 	92.6	40,424
Bank and Statutory Reporting	<ul style="list-style-type: none"> ▶ Preparing the Joint Administrators' six-monthly progress report and final report. 	71.0	30,321
Creditors	<ul style="list-style-type: none"> ▶ Receipt, recording and adjudication of creditor claims. ▶ Correspondence with creditors. ▶ Processing distributions to secured, preferential and unsecured creditors (as applicable). 	119.7	46,592
Employee Matters	<ul style="list-style-type: none"> ▶ Processing payroll and managing employee matters during the trading period. ▶ Dealing with redundancies. ▶ Dealing with any employee enquiries. ▶ Processing employee claims (if applicable). ▶ TUPE matters. 	92.5	45,295
Immediate Tasks	<ul style="list-style-type: none"> ▶ Completion of work streams requiring immediate attention following the appointment, in order to execute the strategy outlined in the Proposals. 	7.0	6,085
Investigations & CDDA	<ul style="list-style-type: none"> ▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". ▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986. 	70.0	41,013
Job Acceptance & Strategy	<ul style="list-style-type: none"> ▶ Matters relating to the appointments and initial planning of the Administration strategy, including meetings with the Company's directors and management and formulating and executing the strategy adopted. ▶ Considering exit routes from Administration and implementing the most appropriate route. 	3.8	3,378
Legal Issues	<ul style="list-style-type: none"> ▶ Dealing with any ad hoc legal issues. 	17.1	12,762
Millington Lord Sale Process	<ul style="list-style-type: none"> ▶ Establishing reporting process and management of business. ▶ Preparing teaser and information memorandum. ▶ Discussions with potential interested parties. ▶ Dataroom management and provision of information. ▶ Evaluation of offers and execution of sale. 	532.9	266,297

Estimate of remuneration to be charged (continued)

Category of work	Description of work to be completed	Estimated time and cost	
		Hours	£
Other Assets	<ul style="list-style-type: none"> ▶ Realising value from the Company's other assets. ▶ Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment, or assets not included in other categories. 	17.0	11,180
Other Matters	<ul style="list-style-type: none"> ▶ Dealing with any assets owned by third parties. ▶ Recovery of the Company's physical books and records, and electronic records (including a back-up of the Company's servers and systems). 	1.6	697
Property	<ul style="list-style-type: none"> ▶ Liaising with the landlord of the Company's premises. ▶ Realising value from the Company's leasehold interests (if any). 	3.3	1,716
Sale of Business	<ul style="list-style-type: none"> ▶ Preparation of Information Memorandum ▶ Sale of the business and trading assets of the Company in pursuance of the Joint Administrators' objectives. ▶ Discussions with potential interested parties. ▶ Dataroom management and provision of information. ▶ Evaluation of offers and execution of sale. 	301.6	178,033
Statutory Duties	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House ▶ Preparation of the Joint Administrators' Statement of Proposals. 	154.0	70,050
Trading	<ul style="list-style-type: none"> ▶ Trading the Company in Administration. ▶ Accounting and banking issues relating to trading including tracking of receipts, making payments to suppliers and employees and dealing with undertakings. ▶ Liaising with suppliers and customers. 	67.2	35,984
VAT & Taxation	<ul style="list-style-type: none"> ▶ Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration. ▶ Preparing claims for VAT bad debt relief (if applicable). 	34.9	16,842
Total		1,586.2	806,669

Details of expenses incurred and anticipated to be incurred

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. Expenses comprise sums paid or to be paid to third parties and sums paid or payable to the administrators' firm in respect of out of pocket expenses and costs which include an element of shared or allocated costs.

Expenses expected to be incurred are £277,477.67 plus VAT, comprising:

Category of expense	Estimated costs (£)
Expenses	276,987.67
Category 1 disbursements	410.00
Category 2 disbursements	50.00
Total	277,477.67

Further detail on the above expenses categories is shown below.

Expenses

The expenses incurred and anticipated to be incurred from the Company's estate can be summarised into the following categories:

Category of expense	Description of expense incurred or to be incurred	Estimate (£)	Paid to 4 Dec 2020
Insurance	▶ Costs to insure the Company's assets and operations during the Administration trading period and thereafter.	1,300.00	-
Advertising	▶ Costs of statutory advertising of notices in the Administration.	189.00	94.50
Storage	▶ Storage of Gas Tags during the trading period. ▶ Storage of Company books and records and the Joint Administrators' records for required periods.	538.50	23.00
Legal costs	▶ Legal advice in relation to the Administration appointment. ▶ Legal advice regarding matters pertaining to trading the business. ▶ Advising on the legal aspects of the sale of the Company's business and assets. ▶ Other ad hoc legal advice.	131,000.00	-
Subscription costs	▶ Software subscriptions necessary for the trading operations of the Company.	10,000.00	4,956.64
Rent, service charge and utilities	▶ Costs of rent, business rates, utilities and security for the period of occupation of the Company's leasehold office premises in Liverpool.	12,202.00	-
Business rates	▶ Payment of business rates for the Administration trading period.	3,000	-

Expenses (continued)

Category of expense	Description of expense incurred or to be incurred	Estimate (£)	Paid to 4 Dec 2020 (£)
Employee costs	<ul style="list-style-type: none">▶ Gross salaries of employees retained by the Joint Administrators during the trading period of the Administration.▶ Employers' NIC, pension contributions and private medical costs.▶ Expenses incurred by employees during the trading period.	115,406.58	104,424.32
Payroll costs	<ul style="list-style-type: none">▶ Cost of services provided by third party payroll processing company.	1,700.00	-
IT costs	<ul style="list-style-type: none">▶ IT costs associated with securing back-ups of the Company's records.	31.59	31.59
Dataroom costs	<ul style="list-style-type: none">▶ Costs of a third-party data room provider, used to digitally host information to support the process to sell the business and its assets.	1,000.00	-
Telecoms costs	<ul style="list-style-type: none">▶ Costs of telecoms services during Administration trading period.	400.00	254.08
Bank charges	<ul style="list-style-type: none">▶ Charges associated with operation of the Company's bank accounts during the Administration, including foreign exchange transaction costs.	220.00	11.40
Total		276,987.67	109,795.53

Disbursements

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.

An estimate of each category of disbursements is shown on the following page.

Category 1 disbursements

Disbursement	Description of disbursement incurred	Estimate (£)	Paid to 4 Dec 2020 (£)
Specific Bond	▶ A form of insurance required by insolvency law.	210.00	-
Postage and printing	▶ Those costs incurred by the Joint Administrators in printing and posting the Joint Administrators' Statement of Proposals and subsequent progress reports and other written communication to all relevant creditors and shareholders.	200.00	-
Total		410.00	-

Category 2 disbursements

Disbursement	Description of disbursement incurred	Estimate (£)	Paid to 4 Dec 2020 (£)
Mileage	▶ Those costs relating to mileage incurred by the Joint Administrators and their staff in respect of their work on the Administration, whilst operating from or attending the site operated by the Company and third party locations to attend meetings with key stakeholders. ▶ Current mileage rates are 45p/mile.	50.00	-
Total		50.00	-

Exceeding estimates of remuneration and expenses

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The Joint Administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

Estimate of returns for creditors

We are not yet in a position to establish the potential quantum of realisations in respect of the Company's assets and creditors continue to submit claims in the Administration. We are therefore not yet in a position to estimate the return for the creditors.

However, we anticipate it is unlikely that secured creditors will be repaid in full and as such, unsecured non-preferential creditors are only likely to receive a distribution by virtue of the Prescribed Part. At this stage, we anticipate the preferential creditors will be paid in full.

Gas Tag Ltd – in Administration

Estimated remuneration

Type of work	Hours						Total hours	Time cost (£)	Average hourly rate (£)	Total time cost incurred to 27 November 2020 (£)
	Partner / Associate Partner	Director	Assistant Director	Manager	Executive	Analyst				
Accounting & Administration	8.5	3.5	-	20.3	51.3	9.0	92.6	40,424	437	23,739
Bank and statutory reporting	2.0	5.0	-	22.5	-	41.5	71.0	30,321	427	-
Creditors	-	14.0	-	25.2	-	80.5	119.7	46,592	389	12,932
Employee Matters	1.5	22.4	-	0.4	68.2	-	92.5	45,295	490	40,665
Immediate Tasks	5.0	2.0	-	-	-	-	7.0	6,085	869	6,085
Investigation & CDDA	2.0	7.0	10.0	43.5	-	7.5	70.0	41,013	586	23,393
Job Acceptance & Strategy	1.8	2.0	-	-	-	-	3.8	3,378	780	3,378
Legal Issues	1.0	13.0	-	3.1	-	-	17.1	12,762	746	9,412
Millington Lord sale process	28.0	137.3	-	1.0	251.3	115.4	532.9	266,297	500	95,399
Other Assets	-	9.0	-	8.0	-	-	17.0	11,180	658	5,460
Other Matters	-	-	-	0.6	1.0	-	1.6	697	436	697
Property	-	-	-	3.3	-	-	3.3	1,716	520	676
Sale of Business	40.7	95.0	-	54.9	52.5	58.5	301.6	178,033	590	178,033
Statutory Duties	3.5	13.5	-	62.5	2.0	72.5	154.0	70,050	455	48,855
Trading	-	4.0	-	63.2	-	-	67.2	35,984	535	33,904
VAT & Taxation	1.0	4.0	-	7.7	11.7	10.5	34.9	16,842	482	3,692
Total hours	95.0	331.7	10.0	316.2	438.0	395.4	1,586.2	806,667		486,319
Total anticipated fees (£)	88,338	258,687	8,550	164,424	166,411	120,257				

Gas Tag Ltd

in Administration ('the Company')

Administrators' statement of proposals
Pursuant to paragraph 49 of schedule B1 to the Insolvency Act
1986 and Rule 3.45 of the Insolvency (England and Wales) Rules
2016

Date of delivery of proposals to creditors: 8 December 2020

Ernst & Young LLP



EY

Building a better
working world

Abbreviations

The following abbreviations are used in this report:

the Company	Gas Tag Ltd
Date of Appointment	14 October 2020
EY	Ernst & Young LLP
Joint Administrators	Samuel James Woodward and Jonathan Peter Sumpton
Millington Lord Group	Millington Lord Limited, Morgan Lambert Limited, Qualitas Compliance Limited and Morgan Lambert Electrical Limited
Plentific	Plentific Limited
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

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1. Introduction, background and circumstances giving rise to the appointment

Introduction

On 14 October 2020, the Company entered Administration and Samuel James Woodward and Jonathan Peter Sumpton were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' statement of proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

Certain statutory information relating to the Company, the Joint Administrators and their appointment is provided at Appendix A.

Background

Overview

The Company, based in Liverpool, provided a software-based solution to its customers (largely social housing providers) that provided them with a digital gas servicing record. This enabled them to fulfil certain legislative requirements for gas safety for each of their properties.

The Company was at relatively early stages of commercialising its technology and had not yet reached break-even. The Company's commercial model was based on agreeing multi-year contracts with its customers and was paid largely in the form of annual subscriptions.

The Company's subsidiary (Millington Lord Limited and its subsidiaries) is not in Administration but is profitable, cash generative and operates independently of the Company.

Employees and suppliers

The Company had 42 employees on the Date of Appointment, comprising management, sales and marketing, software engineers, customer services and administrative staff.

The Company's principal suppliers were Amazon Web Services (which provided cloud hosting for the software platform and administrative file storage) and Google (which provided administrative services such as email and mapping services for the platform) with a number of other suppliers providing a range of other technology and marketing services.

Financing and ownership

The Company did not have any bank debt with most of its funding provided by its shareholders.

The Company is 92.5% owned by Tagco BV. The remaining 7.5% of the shares are owned by several individuals (ex-management or private investors).

Financial summary

The recent financial results of the Company, based on unaudited management accounts, are summarised below:

£000	Year ended 31 March 2020	Period ended 31 August 2020
Turnover	459	216
Gross profit	446	212
Operating loss	(2,188)	(615)

Whilst the Company had had been making progress securing new contracts and building its pipeline of new customers, as explained earlier, it had yet to reach break-even point and therefore required ongoing support from its shareholders to cover its operating costs.

These costs largely related to its employees which included several technical staff who developed the software solution in-house and sales and marketing employees who were responsible for building a pipeline of prospective customers.

Circumstances giving rise to the appointment of the Joint Administrators

The Company's progress in securing new customers and thus reaching break-even was adversely impacted by the Covid-19 pandemic. Negotiations with prospective customers stalled as they prioritised the safety and wellbeing of their employees and residents over a prospective investment in the Company's technology solution. This created uncertainty regarding the Company's growth prospects and resulted in a continued and increased need for ongoing funding. The Company was unable to secure further funding and therefore on the 6 October, the Company's Directors concluded the Company could not avoid insolvency and requested the assistance of EY to plan for an Administration appointment.

EY received fees totalling £20,000 for the work undertaken planning for the appointment of the Joint Administrators.

2. Purpose, conduct and end of Administration

Purpose of the Administration

The purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern
- b. To achieve 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)
- c. To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

We did not consider it is possible to achieve purpose (a) as the Company required significant additional finance to fund ongoing losses and the payment of legacy creditors, which was not available to it prior to the appointment of the Joint Administrators.

We therefore intend to pursue purpose (b), to achieve a better result for the Company's creditors as a whole than would be likely if it were wound up without first being in Administration. We considered this was achievable through a short period of Administration trading (afforded by the protection of the Administration moratorium) to ensure continuity of service for the customers and preserving value in the business to optimise the prospects and outcome from a sale of the Company's business and trading assets.

Conduct of the Administration

Sale of the business and trading assets

Following their appointment, the Joint Administrators concluded that a short period of trading in parallel with an accelerated sale process would provide the best opportunity to explore a sale of the business as a going concern and thus maximise realisations for creditors. During this period, the trading strategy was to maintain the software platform and provide ongoing customer service to protect value in the technology and customer contracts.

Given there was limited funding available to the Joint Administrators, it was unfortunately necessary to make 25 roles redundant immediately on the Joint Administrators' appointment.

The Joint Administrators commenced an accelerated sale process to find a buyer for the Company's business and trading assets. Several offers were received and after careful consideration, a preferred bidder was selected, and contracts were issued. We are pleased to report that on 18 November 2020, the Joint Administrators completed a sale of the Company's business and trading assets to an unconnected third party, Plentific. Total consideration of £1.15m was received on completion and the jobs of the remaining employees were safeguarded with them transferring to Plentific under the provisions of TUPE.

Following the sale of the business and trading assets, the Joint Administrators are working to finalise the costs of the trading period which have been financed by a combination of the

funds held by the Company at the Date of Appointment and the proceeds received from the realisation of assets.

Sale of Millington Lord Group

The Millington Lord Group comprises profitable and cash generative subsidiaries of the Company that are financed independently of the Company and operate autonomously. The Millington Lord Group is not in Administration and was not included in the sale to Plentific.

The Joint Administrators have been working with the management of the Millington Lord Group to prepare for a formal sale process to be undertaken in order to maximise the value for the shares owned by Gas Tag.

The sale process has now commenced with a view to concluding a sale during February 2021.

Asset realisations

We are working to establish whether there are any other realisable assets, not referred to above, and we will provide an update in this regard in our progress report, due by 13 May 2021.

Joint Administrators' receipts and payments

A summary of the Joint Administrators' receipts and payments for the period from 14 October 2020 to 4 December 2020 is attached at Appendix C.

Approval of the Joint Administrators' proposals

The Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured non-preferential creditors other than by virtue of the prescribed part. Consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the proposals.

The Joint Administrators will be obliged to seek a decision of the creditors if requested to do so by creditors of the company whose debts amount to at least 10% of the total debts of the company. The request must be delivered within 8 business days of the date on which these proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016.

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

Future conduct of the Administration

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

- ▶ Finalising trading costs;
- ▶ Realising value in the remaining assets of the Company, specifically in respect of the shares held in the Millington Lord Group;
- ▶ Dealing with corporation tax and VAT matters, including filing statutory returns;
- ▶ Carrying out investigative procedures, including investigating the conduct of the Company's Directors in the three years prior to the Joint Administrators' appointment in accordance with the requirements of the CDDA and SIP 2;
- ▶ Dealing with creditor enquiries;
- ▶ Distributing realisations to the secured, preferential, and, if applicable, unsecured creditors of the Company;
- ▶ Ensuring all statutory reporting and compliance obligations are met;
- ▶ Finalising the Administration, including payment of all Administration liabilities; and
- ▶ Any other actions required to be undertaken by the Joint Administrators.

The end of the Administration

It is proposed that if, at the end of the Administration, the Company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice.

3. Statement of Affairs

The Directors have submitted their Statement of Affairs as at 14 October 2020. A summary is attached at Appendix B, including a list of creditors.

A number of the asset values shown in the Statement of Affairs have yet to be determined and may be lower than indicated. Similarly, a number of creditor claims have yet to be quantified (or be submitted) and the total value of creditor claims may be higher than indicated. Additionally, the values are shown before applicable costs of realisation.

We provide below an indication of the current position with regard to creditors' claims based on information provided by the Company's management.

Secured creditors

The Company has three secured creditors. The table below shows a current estimate of amounts due to these secured creditors. Further amounts may be due to them in respect of accrued interest and charges and will be determined in due course. Amounts owed to these secured creditors rank equally and distributions payable *pari passu*. The outcome for the secured creditors is currently uncertain, however, at present we consider it is unlikely that they will be repaid in full.

Company/individual	Estimated debt (£)	Security held
TagCo BV	2,648,000	Fixed charges over business name and rights, database, goodwill, intellectual property and transferred records and floating charges over all other assets
Adrian Webb	56,869	As TagCo BV
Philip Goodwin	31,880	As TagCo BV

Preferential creditors

We currently estimate preferential creditors' claims to be in the region of £33,720. These largely relate to claims for employees' arrears of wages (capped at £800 per employee), accrued but not taken holidays and unpaid employee pension contributions.

As claims are received, we will be able to more accurately quantify the value of preferential creditor claims. We currently expect that preferential claims will be paid in full.

Unsecured non-preferential creditors

Unsecured non-preferential creditor claims continue to be submitted. Based on Company records, it is estimated that total unsecured non-preferential creditor claims could be in the region of £1.3m. However, creditor claims may be higher due to contingent claims and other amounts not included in the Company's records.

At this stage, we do not believe that there will be a distribution to the unsecured non-preferential creditors other than by virtue of the Prescribed Part.

4. 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.

The Joint Administrators estimate, to the best of their knowledge and belief, that:

- ▶ The value of the Company's net property is approximately £125,000.
- ▶ The value of the prescribed part is approximately £28,000, before the costs of dealing with the prescribed part.

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part.

5. Joint Administrators' remuneration and disbursements and payments to other professionals

Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, 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 the Joint Administrators.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the secured creditors and, if the Joint Administrators have made or intend to make a distribution to the preferential creditors, the preferential creditors in accordance with Rule 18.18(4) of the Rules. The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 4 December 2020 which is being circulated to creditors at the same time as these proposals.

Disbursements

Disbursements are expenses met by and reimbursed to the Joint Administrators. They fall into two categories: Category 1 and Category 2. The fee estimate and statement of expenses dated 4 December 2020 includes details of the Category 1 and 2 disbursements which are expected to be incurred.

Category 1 disbursements are payments to independent third parties where there is expenditure directly referable to the Administration. Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements are expenses that are directly referable to the Administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as remuneration. In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek the approval of the secured creditors and preferential creditors to charge Category 2 disbursements in accordance with the statement of expenses included in the fee estimate dated 4 December 2020.

Appendix A Statutory information

Company Information

Company Name:	Gas Tag Ltd (in Administration)
Registered Office Address:	c/o Ernst & Young LLP 2 St. Peter's Square Manchester M2 3EY
Registered Number:	09437347
Trading Names:	Gas Tag, X Tag, Elec Tag.
Trading Address:	Level 6, 4 St. Pauls Square, Liverpool, England, L3 9SJ

Details of the Joint Administrators and of their appointment

Joint Administrators:	Samuel James Woodward and Jonathan Peter Sumpton
Date of Appointment:	14 October 2020
By Whom Appointed:	The Company's directors
Court Reference:	High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List (ChD), CR-2020-MAN-000875
Statement regarding the Joint Administrators' exercise of their functions pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986	Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary A1	4,941,383,759	494.14	4,941,383,759	494.14
Ordinary A2	711,467	0.07	711,467	0.07
Ordinary B1	1,518,050	0.15	1,518,050	0.15
Ordinary B2	416,719	0.04	416,719	0.04
Ordinary C	56,825,498	5.68	56,825,498	5.68
Ordinary D	253,964,675	25.39	253,964,675	25.39

Directors at the Date of Appointment and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
John Roche	Director	21 May 2019	N/A	0%
George Dutton	Director	13 June 2016	11 November 2020	<1%
George Dutton	Secretary	30 June 2016	N/A	As above
Richard Harrison	Director	1 April 2020	N/A	0%
Ryan Hallworth	Director	15 December 2017	28 October 2020	0%
Calum MacEwen	Director	23 August 2019	28 October 2020	0%
Hans Scheepers	Director	23 August 2019	28 October 2020	0%
Judy Martins	Director	23 August 2019	28 October 2020	0%

Appendix B Directors' Statement of Affairs

Rule 3.30

Statement of affairs

Name of Company Gas Tag Ltd	Company number 09437347
In the High Court of Justice, Business and Property Courts in Manchester Insolvency and Companies List (ChD)	Court case number CR-2020-MAN-000875

(a) Insert name and address of registered office of the company
Statement as to the affairs of (a) Gas Tag Ltd at Level 6 4 St Pauls Square, Liverpool, England, L3 9SJ

(b) Insert date on the (b) 14 October 2020, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 14.10.20 the date that the company entered administration.


Full name JOHN ROCHE

Signed 

Dated 17.11.20

A1 – Summary of Liabilities

	Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£ 393,278.07
Liabilities	
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£ 359,557.25
Estimated prescribed part of net property where applicable (to carry forward)	£(74,911.45)
Estimated total assets available for floating charge holders	£ 284,645.80
Debts secured by floating charges	£381,424.78
Estimated deficiency/surplus of assets after floating charges	£ (96,778.98)
Estimated prescribed part of net property where applicable (brought down)	£74,911.45
Total assets available to unsecured creditors	£ 74,911.45
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£1,317,746.30
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (1,242,834.85)
Shortfall to floating charge holders (brought down)	£(119,504.12)
Estimated deficiency/surplus as regards creditors	£ (1,362,338.97)
Issued and called up capital	£(525.48)
Estimated total deficiency/surplus as regards members	£ (1,362,864.45)

Signature  Date 17.11.20

COMPANY CREDITORS


Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and consumers should be given as a single figure, with details provided on the respective schedules

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Preferential Employees and former Employees	N/A	33,720.82			
Non- Preferential Employees and former Employees	N/A	164,218.54			
HMRC	N/A	346,075.82			
DLA [REDACTED]	N/A	420,222.08			
DLA [REDACTED]	N/A	68,472.50			
DLA [REDACTED]	N/A	23,158.57			
7Video Limited	Alaska Building Sitka Drive Shrewsbury SY2 6LG	3840.00			
93 Twenty Consulting	20 Littlecote Gardens Appleton Warrington Cheshire WA45DL	5500.00			
Acutance Consulting	St Andrews House 11 Dalton Court Blackburn BB3 0DG	2040.00			
Addeshaw	3 Sovereign Square Sovereign Street Leeds LS1 4ER	101191.40			

Goddard					
Amazon.co.uk	Patriot court, 1-9 The Grove, Slough Berkshire SL1 1QP	578.66			
Ankura Consulting	2nd Floor 55 Bishopsgate London EC2N 3AS	300.00			
Aztec	19 Hatton Garden Liverpool L3 2HA	696.00			
Bartle Read Ltd	Liverpool Science Park 131 Mount Pleasant Liverpool L3 5TF	240.00			
Brabners LLP	Horton House Exchange Flags Liverpool L2 3YL	3240.00			
Capita	PO Box 6804 Basingstoke Hampshire RG244NB	600.00			
[REDACTED]	[REDACTED]	18000.00			
Crowd UK	2nd Floor, Barton Arcade, Deansgate Manchester M3 2BH	2287.32			
Danny Clarke Training	37 Netherton Road Mossley Hill Liverpool Merseyside L18 4PS	540.00			
Datatech Document Systems	Bassendale Road Croft Business Park Bromborough Wirral CH62 3QL	13.94			
Digital ID	Unit 2, Crown Royal Unity Way Stockport Cheshire SK1 3EY	345.00			
Digital Xraid	Suite 3 Cavendish Court South Parade Doncaster South Yorkshire DN1 2DJ	5760.00			
Downtown in Business	Suite 303, 3rd Floor Cotton Exchange, Bixteth Street Liverpool Merseyside L3 9QL	1849.99			
Exclaimer	Alpha House 9-11 Alexandra Road Farnborough Hampshire GU14 6BU	87.30			

Google Ireland	Gordon House Barrow Street Dublin	1815.99			
Granby	Stanley Street Blackburn Lancashire BB1 3BW	50.28			
High Performance Consultancy	Cotton Exchange Suite 303/314 Bixteth Street Liverpool L3 9LQ	215.06			
Hill Dickinson	50 Fountain Street Manchester M2 2AS	1800.00			
Holden- Locke Ltd	2 Haxey Walk Horwich Bolton BL6 5HT	900.00			
Home 2 Office Water Coolers	Unit 5, The Gateway, School lane Knowsley Business Park Knowsley L34 9EN	37.98			
Jetbrains s.r.o	Huidekoperstraat 26-28, 1017 ZM Amsterdam, Netherlands	14.80			
JLL	Jones Lang LaSalle 40 Bank Street London E14 5EG	48656.41			
M4B	Jubilee House East Beach Lytham St. Annes LA FY8 5FT	1440.00			
		8000.00			
Places for People	4 The Pavilions Portway Preston PR2 2YB	943.49			
		175.00			
		722.50			
		3300.00			
RSM UK Audit	14th Floor 20 Chapel Street Liverpool L3 9AG	1200.00			
	7-14 Great Dover St London SE14YR	7500.00			

Sure Maintenance Ltd	Unit 16 The Matchworks, Speke Road Liverpool L19 2RF	900.00			
Telcom	24/26 Lever Street Manchester M1 1DZ	413.88			
The HR Department	1210 Parkview Arlington Business Park, Theale Reading RG7 4TY	228.00			
Transperfect Translations Ltf	1st Floor, 33 Aldgate House Aldgate High Street London ED3N 1AH	2278.32			
UKAS		12008.70			
Waterland PE Investments	WPEF VI Holding Cooperatief W.A. Nieuwe 's-Gravelandseweg 17 1405 HK Bussum Netherlands (NL)	34592.77			
Wallasey Golf club	Bayswater Road Wallasey Wirral CH45 8LA	5620.00			
Ocean Media Group Ltd	3rd Floor 4 Harbour Exchange Square Isle of Dogs London E14 9GE	6474.00			
Liverpool City Council	P.O. Box 2012 Liverpool L69 2DX	11202.00			

Signature  Date 17.11.20

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares	Nominal	Details of Shares held
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		held	Value	
Paul Durose	N/A	4323506	£0.43	Ordinary C
Stephen Ullathorne	N/A	3661911	£0.37	Ordinary C
Edward McDonald	N/A	477104	£0.05	Ordinary D
Adrian Webb	N/A	239737277	£23.98	Ordinary D
Richard Foy	N/A	1246644	£0.12	Ordinary D
George Dutton	N/A	95421	£0.01	Ordinary C
Paul Davies	N/A	144232	£0.01	Ordinary D
Barry Witter	N/A	23796	£0.00	Ordinary D
Thomas Green	N/A	24404	£0.00	Ordinary D
Tagco BV	N/A	4798028715	£479.80	Ordinary A1
Tagco BV	N/A	691043	£0.07	Ordinary A2
Tagco BV	N/A	1474677	£0.15	Ordinary B1
Tagco BV	N/A	404813	£0.04	Ordinary B2
Philip Goodwin	N/A	143355044	£14.34	Ordinary A1
Philip Goodwin	N/A	20424	£0.00	Ordinary A2
Philip Goodwin	N/A	43373	£0.00	Ordinary B1

Philip Goodwin	N/A	11906	£0.00	Ordinary B2
Tagco BV	N/A	48744660	£4.87	Ordinary C
Tagco BV	N/A	12311218	£1.23	Ordinary D
		TOTALS	5254820168	£525.48

Signature



Date

17.11.20

Appendix C Joint Administrators' Receipts and Payments account for the period from 14 October 2020 to 4 December 2020

Statement of affairs estimated to realise		To 4 December 2020
(£)	Notes	(£)
	Fixed charge receipts	
	Business name	1.00
-	Business rights	1.00
-	Database	1.00
40,000.00	IP	1,134,992.00
-	Goodwill	1.00
-	Software	1.00
-	Transferred records	1.00
-	Bank interest	1.87
		<u>1,134,999.87</u>
	Fixed charge payments	
-	Balance from trading account (see below)	<u>(82,964.07)</u>
		(82,964.07)
	Floating charge receipts	
350,480.24	Cash at date of appointment	350,187.49
-	Customer contracts	1.00
4,391.40	Customer debts	5,000.00
10,000.00	Equipment	5,000.00
-	Systems	1.00
-	Stock	5,000.00
-	Bank interest	4.09
		<u>365,193.58</u>
	Floating charge payments	
-	Balance from trading account (see below)	(26,693.97)
-	Bank charges	(11.40)
-	Public notices	(94.50)
-	IT costs	(31.59)
-	Payroll costs	(800.00)
		<u>(27,631.46)</u>
	Balances in hand	<u>1,389,597.92</u>
	Represented by:	
	Cash at bank	1,390,796.10
	VAT accounts	1,128.12
	Control Accounts	(2,326.30)
		<u>1,389,597.92</u>
Notes		
1 This receipts and payments account is shown net of VAT.		
2 This receipts and payments account has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.		
3 All funds are held on interest bearing accounts.		
4 The difference in cash at date of appointment between the Statement of Affairs value and Receipts and Payments value is due to a direct debit payment that was being processed through the pre-Appointment bank account on the Date of Appointment		

Trading account analysis		
Statement of affairs estimated to realise		To 4 December 2020
(£)	Notes	(£)
	Trading receipts	<u>-</u>
		-
	Trading payments	
	Subscription costs	4,956.64
	Storage costs - gas tags	23.00
	Employee costs	104,017.74
	Employee expenses	406.58
	Telephone	254.08
		<u>109,658.04</u>
	Balance of trading account	<u>(109,658.04)</u>
Note:		
An initial allocation of the trading account as a fixed charge cost of realisation (£82,964.07) and as an expense of the administration charged against floating charge assets (£26,693.97) is based on a current estimate of realisations and costs and may be revised in the future.		