

TO CREDITORS WHO ARE NOT OPTED OUT AND OTHERS WHO RECEIVED NOTICE OF THE ADMINISTRATORS' APPOINTMENT

21 June 2023

Ref: SW/ CGJK/ BL/ AP
Email:
officeteamadministration@uk.ey.com

Dear Sirs

OfficeTeam Limited (“the Company”) (formerly in Administration and now moving to Creditors’ Voluntary Liquidation)

I write to inform you that the Administration of the Company has now ended and that the Company has moved into Creditors’ Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986.

I enclose a copy of the notice of move to Creditors’ Voluntary Liquidation, which was registered at Companies House on 19 June 2023, together with a copy of the Administrators’ final progress report.

Should you have any queries, please contact the email address above.

Yours faithfully
for the Company



C G J King
Joint Administrator

Enc: Notice of move from administration to creditors’ voluntary liquidation
Final progress report

S J Woodward and C G J King are 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, S J Woodward 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.

TO ALL KNOWN CREDITORS

14 June 2023

Ref: SW/ CGJK/ BL/ AP
Email:
officeteamadministration@uk.ey.com

Dear Sirs

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

High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List (ChD), Number CR-2020-BHM-000303

I write to provide you with our final progress report in the Administration, which includes details of the outcome.

The report covers the period from 14 May 2023 to 14 June 2023 and should be read in conjunction with the Joint Administrators’ Statement of Proposals (“the Proposals”) dated 21 May 2020 and the previous progress reports. Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

On 14 May 2020, the Company entered Administration with R H Kelly and C G J King appointed to act as 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. In accordance with a Court Order dated 27 June 2022, R H Kelly was replaced by S J Woodward as he retired from the EY Partnership.

Summary of the administrators’ proposals

The Joint Administrators Statement of Proposals was issued to the Company’s creditors on 21 May 2020.

The Proposals summarised the background of the Company and the circumstances giving rise to the appointment of the Joint Administrators, as well as a detailed explanation of the Pre-Pack transaction entered into with OT Group Limited on 14 May 2020 (“the Transaction”).

The principal objective of the Administration was 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). As set out in the Proposals, it was concluded that the Transaction delivered a better outcome for creditors than a liquidation or a wind down realisation of the stock and other assets.

As detailed in the Proposals, it was proposed that at the end of the Administration, the Company would move straight into Creditors’ Voluntary Liquidation upon the filing with the Registrar of Companies of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986.

In accordance with a creditor decision by correspondence, the Proposals were approved on 8 June 2020.

Summary of steps taken during the administration

In accordance with the Proposals and as set out in the Joint Administrators' previous progress reports, the Joint Administrators' work has included, inter alia:

- ▶ Dealing with matters arising out of the Transaction;
- ▶ Recovering trade debtor balances owing to the Company;
- ▶ Managing matters relating to the licenses to occupy and other leasehold property matters;
- ▶ Realising Company deposits and prepayments;
- ▶ Recovering funds held as cash on appointment;
- ▶ Concluding the transfer ZenOffice Limited's shares to OT Group Limited;
- ▶ Realising other residual assets of the Company;
- ▶ Dealing with employee matters, including the processing of OT Group Limited's payroll;
- ▶ Dealing with retention of title claims in respect of stock supplied to the Company;
- ▶ Assessment of the complex Distribution Exercise;
- ▶ Investigating the conduct of the Company's directors as required by law;
- ▶ Dealing with corporation tax and VAT matters, including filing statutory returns;
- ▶ Dealing with statutory duties, including reporting to creditors;
- ▶ Distributing funds to the secured creditors under their fixed and floating charges; and
- ▶ Dealing with unsecured creditor and employee queries.

Summary of progress since the last report

Distribution exercise

As previously reported, Spicers Limited (in Administration) ("Spicers") made distributions in respect of the BECAP12 secured debt, which totals £9,106,998 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. Further to the guarantee aspect, the Company settled the debt owed by Spicers to Lloyds Banking Group ("LBG") on its Invoice Discounting Facility ("IDF") account, which totalled £2,335,695.

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

We currently consider, based on detailed legal advice, that the other companies within the Company's group will be indebted to the Company under the guarantee, resulting in subrogated claims.

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.

Distributions to creditors

Secured creditors

LBG

LBG, the Company's first ranking secured creditor, had a total direct indebtedness of £3,846,771 due as at the date of Administration. Additionally, the Company provided cross guarantees to LBG for monies owed by Spicers and ZenOffice Limited, increasing LBG's overall indebtedness to £17,154,991, with further interest and charges accruing post the appointment of Administrators.

During the Administration, net receipts relating to debtor collections in the IDF account totalled £8,178,144. Consequently, there was a surplus on the account at the time of closure of £4,331,374. Of this surplus, £2,335,695 was applied to the shortfall on the Spicers LBG IDF account, which LBG was entitled to do under their cross guarantee. The Company now has a subrogated claim against Spicers for the value of £2,335,695 which will be settled in the following creditors' voluntary liquidation. The remaining balance of £1,995,679 was transferred to the Company's account. The debt owed to LBG by the Company has been settled in full.

BECAP12

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

As previously reported, Spicers has made distributions (£9,365,435) to settle this debt including accrued interest and charges. This debt was cross guaranteed by certain entities within the Company's group, including the Company 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

There are no known preferential creditors. All employees of the Company at appointment were transferred to OTG under TUPE and under the sale agreement OTG were responsible for any liabilities in respect of arrears of wages and other liabilities owed to them.

Non-preferential creditors

Unsecured third-party claims totalling c.33.0m 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.

Whilst the Distribution Exercise remains ongoing and there continue to be assets of the Company to realise we are not able to confirm with certainty the funds that will be available to the unsecured creditors of the Company.

However, based on realisations to date, anticipated future costs and our current understanding of the potential outcome from the Distribution Exercise, we estimate that funds totalling c.£1.4m may be available for an unsecured creditors distribution in the future. At present the timing of such a distribution 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 the Prescribed Part will not apply as the floating charge funds will be available to unsecured creditors.

Details of assets still to be realised

Book Debt

There remain amounts owing from a debtor which is currently in liquidation. Based on previous conversations with the liquidator, we anticipate further realisations relating to this debtor balance to total c.£40k. Currently the timing of this receipt remains unknown.

The Company will continue to pursue this debt in the subsequent liquidation.

Amounts owing from group entities

We currently consider, based on detailed legal advice which has been provided as part of the Distribution Exercise, that other group companies will be indebted to the Company under the BECAP12 guarantee, resulting in subrogated claims against these group companies.

Based on our current understanding of the potential outcome from the Distribution Exercise, we believe there may be funds received by the Company from other group companies at a future point in time in relation to these subrogated claims.

Receipts and payments account

I enclose at Appendix 2 a receipts and payments account for the period from 14 May 2020 to 14 June 2023.

Funds of c.£2.8m, will be transferred to the Company's CVL bank account.

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. A further resolution regarding the Joint Administrators remuneration was also passed by a resolution of the creditors on 15 May 2023.

During the period covered by this report, we have charged remuneration of £6,169 taking total post Administration time costs incurred to date to £2,545,638. Of this sum, £1,388,861 has been paid. An analysis of the time spent, and a comparison with the fee estimate dated 25 April 2023 is attached as Appendix 4 to this report.

The administrators' remuneration has exceeded the original fee estimate. The reasons for this were set out in detail in the Administrators' Notice of decision procedure regarding the revision of the Administrators' Remuneration dated 25 April 2023. In summary, this included, inter alia, significant levels of additional work in relation to matters that were unforeseen in relation to the Company's debt structure, the debtor collection exercise and the processing of OT Group Limited's ("OTG") payroll. The increase in the remuneration estimate from £1,388,861 plus VAT to £1,892,924 plus VAT was approved by a resolution of the creditors on 15 May 2023.

The Administrators have drawn fees of £1,388,861 in the Administration and will draw the remaining balance of £504,061 in the Liquidation.

Joint administrators' statement of expenses incurred

During the period covered by this report, the Administrators have incurred expenses totalling £712 plus VAT. There is a breakdown of expenses incurred in the period and to date at Appendix 3 to this report.

An explanation where the costs incurred have resulted in exceeding the original expenses estimate is given below:

- ▶ £212 - Storage charges: charges for storing the Company's books and records collected from the Company's sites. Further charges are expected to be incurred.
- ▶ £1 – Bank Charges: the level of transactions has been greater than anticipated, resulting in charges exceeding the original estimate. Further charges are expected to be incurred.
- ▶ £500 - Legal fees: costs have exceeded the original estimate due to further legal advice being required in respect of the Distribution Exercise.

Pre-administration costs

The Administrators' proposals dated 21 May 2020 included a statement of pre-administration costs, which included £48,928.25 plus VAT in relation to pre-Administration work conducted by the Joint Administrators, together with expenses, which was outstanding at the date on which the company entered administration. On 8 June 2020, payment of the unpaid costs was approved under rule 3.52 and this amount was subsequently settled.

The outcome of the administration

In accordance with the terms of the proposals, the Joint Administrators have delivered to Companies House a notice of move from Administration to Creditors' Voluntary Liquidation.

The Liquidation will begin when the notice is registered by Companies House and Samuel James Woodward and Charles Graham John King of Ernst & Young LLP (the current Joint Administrators or the Company) will become the Joint Liquidators.

Should you have any remaining questions about the Administration, please do not hesitate to contact the email address at the top of this report.

Yours faithfully
for the Company



C G J King
Joint Administrator

Enc: Copy of Form AM22

S J Woodward and C G J King are 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, S J Woodward 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-000303
Registered name of the Company:	OfficeTeam Limited
Registered office address of the Company:	c/o Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Registered number:	05095978
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:	In accordance with a Court Order dated 27 June 2022 ("the Order"), Robert Hunter Kelly was replaced by Samuel James Woodward
Full names of the Joint Administrators:	Samuel James Woodward and Charles Graham John King
Office Holder number(s):	12030 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

Statement of Affairs Estimated to Realise Values (£)		Period from		Period from		Total
		14 May 2020 to 13 May 2023	(£)	14 May 2023 to 14 June 2023	(£)	
	1,2					
Fixed charge receipts (excludes debts assigned to LBG)						
	2	Intellectual Property & Goodwill	2	-	-	2
9,771,388	3	Debtors received in the Administration account	446,955	-	-	446,955
		Debtors receipt surplus transferred from IDF account	1,995,679	-	-	1,995,679
		Unallocated IDF Funds	539,240	-	-	539,240
100,000		Stat Company Shares	100,000	-	-	100,000
		Transfer From Debtor Collection Account for Purchaser Receipts	2,354,365	-	-	2,354,365
			<u>5,436,239</u>	<u>-</u>	<u>-</u>	<u>5,436,239</u>
Fixed charge payments						
	3	Erroneous Debtor Receipts Returned	67,453	-	-	67,453
		Transfer to Debtor Collection Account	39,678	-	-	39,678
		Erroneous Debtor Receipts Returned from LBGCF Account	2,354,364	-	-	2,354,364
		Erroneous Debtor Receipts Returned from Unallocated IDF Funds	277,945	-	-	277,945
		Debtor Collection Agent Commission	540,556	-	-	540,556
			<u>3,279,996</u>	<u>-</u>	<u>-</u>	<u>3,279,996</u>
Net fixed charge realisations			<u>2,156,243</u>	<u>-</u>	<u>-</u>	<u>2,156,243</u>
Floating charge receipts						
Asset realisations						
		Stock	528,311	-	-	528,311
45,000		Fixtures and Fittings	74,000	-	-	74,000
375,000		Information Technology	375,000	-	-	375,000
	4	Other Realisations	4	-	-	4
273,591		Cash at bank at date of appointment	272,946	-	-	272,946
439,016		Apportionments	408,638	-	-	408,638
		Deposits and Prepayments	109,928	-	-	109,928
		Payroll bank charges funded by OTG	1,463	-	-	1,463
		Payroll Processing Fee	35,000	-	-	35,000
Transfer receipts						
		Property Costs Funded by OTG (LTO Properties)	305,629	-	-	305,629
		Property Costs Funded by OTG (Non-LTO Properties)	15,079	-	-	15,079
		Transfer From Debtor Collection Account for Commission	454,755	-	-	454,755
Other receipts						
	4	Bank Interest	13,687	2,643	-	16,330
			<u>2,594,440</u>	<u>2,643</u>	<u>-</u>	<u>2,597,083</u>
Floating charge payments						
		Pre-Administration Fees and Expenses	107,795	-	-	107,795
Costs of realisations:						
		Contractor Costs (Rebates and Customer Contracts)	6,232	-	-	6,232
		Purchase Ledger Update Cost	6,250	-	-	6,250
		Contribution to Credit Control Cost	4,000	-	-	4,000
		Return of Apportionments and Prepayments	11,775	-	-	11,775
		Other Costs	763	-	-	763
Expenses:						
		Bank Charges	2,531	1	-	2,531
		Storage Charges	2,096	212	-	2,308
		Insurance	6,300	-	-	6,300
		Statutory Costs	95	-	-	95
Property:						
		Property Payments (LTO Properties)	309,557	-	-	309,557
		Property Payments (Non-LTO Properties)	11,151	-	-	11,151
Professional Fees:						
		Legal Fees	114,000	500	-	114,500
		Other Professional Fees	22,561	-	-	22,561
Administrators' Expenses:						
		Administrators' Remuneration	1,388,861	-	-	1,388,861
		Administrators' Disbursements	2,101	-	-	2,101
			<u>1,996,068</u>	<u>712</u>	<u>-</u>	<u>1,996,781</u>
Net floating charge receipts			<u>598,372</u>	<u>1,930</u>	<u>-</u>	<u>600,302</u>
Total net realisations			<u>2,754,615</u>	<u>1,930</u>	<u>-</u>	<u>2,756,546</u>
Funds in Hand						
		Cash at bank	2,613,776	140,242	-	2,754,019
		VAT Receivable	140,839	(138,312)	-	2,527
			<u>2,754,615</u>	<u>1,930</u>	<u>-</u>	<u>2,756,546</u>

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 receipts are an asset of the fixed charge holder, Lloyds Bank PLC ("LBG"), which had control of the IDF account into which receipts were paid. The receipts received are therefore 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	13,960,657
Less: Irrecoverable intercompany balance	(3,222,712)
Debtor balance	10,737,945
Debtor collections received	8,767,158
Commissions on debtor collections paid from IDF	(454,755)
LBG IDF Interest and service charges	(134,259)
Net debtor collections enabling a reduction in the IDF debt	8,178,144
OfficeTeam IDF debt	(3,846,771)
OfficeTeam surplus	4,331,374
Application of funds against Spicers IDF deficit	(2,335,695)
Net surplus	1,995,679
Unreconciled receipts	539,240
Funds transferred to Administration account	2,534,919

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

Appendix 3

OfficeTeam Limited (in Administration)

Summary of joint administrators' expenses incurred

Type of Expense	Paid in Period to 13 May 2023	Paid in Period to 14 June 2023	Total	Per Estimate Dated 21 May 2020
Payments made from the estate which are not disbursements¹				£
Fixed charge				
Erroneous Debtor Receipts Returned	67,453	-	67,453	-
Transfer to Debtor Collection Account	39,678	-	39,678	-
Erroneous Debtor Receipts Returned from Debtor Collection Account	2,354,364	-	2,354,364	-
Erroneous Debtor Receipts Returned from Unallocated IDF Funds	277,935	-	277,935	-
Debtor Collection Agent Commission	540,556	-	540,556	820,000
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				
Contribution to Purchaser Staff Costs	10,250	-	10,250	-
Contractor fees (Rebates and Customer Contracts)	6,232	-	6,232	-
Return of Deposits	11,775	-	11,775	-
Other Costs - Smart Room fee	649	-	649	1,000
Expenses				
Insurance costs	6,300	-	6,300	40,000
Storage costs	2,096	212	2,308	-
Bank charges	2,531	1	2,532	1,000
Statutory costs	95	-	95	1,000
Property				
Property Payments (LTO Properties)	309,558	-	309,558	580,000
Property Payments (Non-LTO Properties)	11,151	-	11,151	20,000
Professional Fees				
Legal costs - Pinsent Mason LLP	93,238	500	93,738	65,000
Legal costs - Clarion Solicitors	20,763	-	20,763	-
Agents costs - Gordon Brothers	22,561	-	22,561	20,000
Administrators' Disbursements				

Specific penalty bond	1,280	-	1,280	1,280
Postage and printing	821	-	821	3,500
Conference call facilities	-	-	-	5,000
Totals	3,887,080	712	3,887,792	1,557,780

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2
- 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

OfficeTeam Limited (in Administration)

Joint administrators' time costs for the period from 14 May 2020 to 14 June 2023 and a comparison with the fee estimate dated 25 April 2023

	Total to 13 May 2023			Actual in this period			Total actual to 14 June 2023			Per Fee Estimate dated 25 April 2023		
	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	651.8	238,969.3	372	4.7	1,723.2	367	656.5	240,692.50	367	195.4	99,839.0	511
Bank & Statutory Reporting	299.2	191,335.3	639	1.5	959.2	639	300.7	192,294.50	639	237.3	124,498.0	525
Creditors	631.6	300,542.2	468	-	-	-	631.6	300,542.20	476	792.1	384,214.7	485
Debtors	1,572.9	919,876.0	585	-	-	-	1,572.9	919,876.00	585	993.5	581,051.8	585
Employee Matters	168.1	90,733.0	540	-	-	-	168.1	90,733.00	540	159.0	86,049.0	541
Immediate Tasks	32.1	23,048.5	719	-	-	-	32.1	23,048.50	718	27.6	19,831.0	719
Investigation & CDDA	59.7	26,181.0	439	-	-	-	59.7	26,181.00	439	59.7	26,181.0	439
Job Acceptance & Strategy	56.6	27,044.0	478	-	-	-	56.6	27,044.00	478	56.6	27,044.0	478
Other Assets	43.1	32,145.0	746	-	-	-	43.1	32,145.00	746	38.2	23,463.0	614
Other Matters	256.8	131,843.5	487	-	-	-	256.8	131,843.50	513	138.1	73,519.0	532
Property	348.8	186,471.5	535	-	-	-	348.8	186,471.50	535	149.4	75,574.0	506
Public Relations	1.0	900.0	900	-	-	-	1.0	900.00	900	1.0	900.0	900
Retention of Title	378.8	191,453.5	505	-	-	-	378.8	191,453.50	505	306.1	178,760.0	584
Statutory Duties	184.8	100,664.8	534	6.4	3,486.2	545	191.2	104,151.00	545	202.0	117,666.5	583
VAT & Taxation	133.0	78,262.0	582	-	-	-	133.0	78,262.00	588	115.9	74,333.0	641
Total	4,818.3	2,539,469.6	527	12.6	6,168.62	490	4,830.9	2,545,638.20	527	3,471.9	1,892,924.00	545

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 £10.7m 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 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.

There have also been significant receipts into the Company's LBG bank account that belong to OTG and significant time has been incurred in verifying ownership of these funds.

- ▶ **Employee matters** – relates to correspondence and calls with c.800 employees regarding the TUPE process. Dealing with any other employee queries. Liaising with HMRC in relation to pre-administration furlough claims. It also includes the processing of the monthly payroll for OTG employees, the costs of which have been recharged to OTG since August 2020.
- ▶ **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.

- ▶ **Investigations & 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 residual stock not included within the Sale & Purchase Agreement and transfer of ownership of Stat Company Limited (parent company to Zen) to OTG. 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 Licenses to Occupy granted as part of the Sale & Purchase Agreement and corresponding with Landlords and other property related issues including arranging vacation of the properties and corresponding with utility and business rate providers in respect of the Company's 14 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 158 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 business and 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.



For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number

Company name in full

→ **Filling in this form**

Please complete in typescript or in bold black capitals.

2 Court details

Court name

Court case number

3 Administrator's name

Full forename(s)

Surname

Woodward

4 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ①

Full forename(s)

Surname

King

① Other administrator

Use this section to tell us about another administrator.

6 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.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

8 Proposed liquidator's name

Full forename(s)

Surname

Insolvency practitioner number

9 Proposed liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ^①

Full forename(s)

Surname

Insolvency practitioner
number

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address ^②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date

d	d	m	m	y	y	y	y
d	d	m	m	y	y	y	y

To date

13 Final progress report

I have attached a copy of the final progress report.

14 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---

AM22

Notice of move from administration to creditors' voluntary liquidation



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 and dated the form.



Important information

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



Where to send

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

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



Further information

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

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse