

TO ALL KNOWN CREDITORS

7 December 2021

Ref: HK/ 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

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 May 2021 to 13 November 2021 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 and 9 June 2021. Statutory information about the company, the administration and the office holders is given at Appendix 1.

Summary of progress since last report

Deposits and prepayments

Funds totalling £6,425 have been received following the return of deposits and other prepayments bringing total realisations for this category to £71,410. It is not anticipated that there will be any additional realisations in respect of deposits and prepayments.

Leasehold properties

Licences to occupy (‘LTO’) were granted to the purchasers of the Company’s business (OT Group Limited (‘OTG’)) for four leasehold properties, whilst OTG negotiated terms for continued occupation with the landlords (subject to any earlier determination or surrender of the lease).

At the time of the previous progress report, OTG had vacated all of the premises, with the Company having received funds from OTG to meet the costs of rent and other property costs. We have now finalised these costs and have refunded the surplus of £21,276 to OTG.

The business sale agreement with OTG also provided for their continued occupation of several other leasehold properties (‘Non-LTO Properties’) to enable the removal of the purchased assets, including stock held at these premises.

Amounts totalling £16,435 were received from OTG to meet the Non-LTO Property costs. OTG has vacated all of the properties and we have finalised these costs and refunded the surplus of £1,356 to OTG.

Debtors

Lloyds Bank Plc (“LBG”) provided an invoice discounting facility (“IDF”) to the Company. As at the date of the Administration, the book value of the Company’s debtor ledger, excluding intercompany debts was £10.7m. TO date, there have been collection of £8.8m against this balance.

Trade debts of £107,506 have been received in the Company’s IDF account during the period of this report. In June 2021 the LBG IDF account was closed following the settlement of LBG’s indebtedness.

At the time of closure, there was a surplus due to the Company of £4,331,374 from the IDF account. Following a partial application of the surplus (£2,335,695) against the indebtedness of Spicers Limited, which the Company had guaranteed, there was a remaining surplus due to the Company of £1,995,679. Additionally, there were unreconciled receipts of £539,240 in the IDF account that related to amounts yet to be determined as belonging to the Company or to OTG. As such, a surplus of funds totalling £2,534,919, was transferred to the Company’s administration account.

A process is ongoing to allocate the unreconciled funds between the Company and OTG.

During the period of the report, £82,593 of unreconciled funds were determined to be OTG’s and were therefore transferred. This is in addition to £312,101 paid to OTG for other amounts that were determined to be theirs prior to the closure of the IDF account.

During the period of this report collections directly in the administration account have totalled £17,504.

A debt collection agent (JP Associates) was engaged in December 2020 to assist with the recovery of the lower value outstanding debts. Collection progress has been slow, due to a large proportion of these debts being owed from smaller customers who have been significantly impacted by the Covid-19 pandemic. Collections totalling £132,314 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 action and recovery proceedings in court where appropriate.

Receipts and payments account

A summary of our receipts and payments for the period from 14 May 2020 to 13 November 2021 is attached at Appendix 2. The receipts and payments do not reflect estimated future realisations or costs.

Investigations

As previously reported, we have 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 £144,210, taking total post-Administration time costs incurred to date to £2,275,403, of which, £842,000 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 fee estimate. This increase includes the additional time that has necessarily been spent by the Joint Administrators and their staff to collect the trade debts. The trade debtor collection exercise has involved a significantly greater level of disputes than initially thought. These have required detailed interrogation and collating and reviewing of supporting documentation. In addition, the debt collection exercise has 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 benefit the creditors from additional recoveries for the unsecured creditors.

In addition, debtors were paying OTG debts into the IDF account and this had to be reconciled. Given the volume of invoices this has not been a straightforward exercise.

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 totalling £316,804 plus VAT. These primarily relate to debtors' monies erroneously received that belonged to OTG (£312,101). An analysis of the expenses incurred is provided at Appendix 3 of this report.

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

- £323 - Erroneous Debtor receipts returned: funds received in error in respect of debtor receipts have been repaid after determining the monies were not due to the Company.
- £1,981 - Transfer to Debtor Collection Account: book debts received in error in to the post appointment administration account. As the debts had been assigned to LBG, these funds were transferred to the Company's IDF account.

- £312,101 - Erroneous Debtor Receipts Returned from Debtor Collection Account to OTG: funds received into the Company's IDF account which belong to OTG for sales where their customers have erroneously paid the wrong account.
- £2,000 - Contribution to purchaser staff costs: costs incurred to bring the Company's purchase ledger up to date to for the purpose of enabling the Directors to prepare their Statement of Affairs and to assist with the adjudication of creditors' claims, as well as the monitoring of debtor realisations.
- £9 – 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.

Distributions to creditors

Secured creditors

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 Limited (in Administration) 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 period of the report, net receipts relating to debtor collections in the IDF account of £107,117 were applied against LBG's indebtedness bringing the total applied to £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 Limited LBG IDF account, which LBG was entitled to do under their cross guarantee. OfficeTeam Limited now have a subrogated claim against Spicers Limited for the value of £2,335,695. The remaining balance of £1,995,679 was transferred to the Company's account. The debt owed to LBG by the Company has now been settled in full.

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.

During the period of the report, Spicers Limited made a distribution (£8,901,522) to settle this debt in full, including accrued interest and charges. As the Company had guaranteed this debt, Spicers Limited will have a subrogated claim against the Company for settling the Company's share of this liability.

Preferential creditors

No preferential claims are expected to be received. 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 claims totalling £77,647,634 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 the dividend to unsecured creditors. This is because the level of funds available to unsecured creditors remains dependent upon further

debtor recoveries, the final level of creditor claims and the impact of the subrogated claims arising from the LBG and BECAP12 distributions.

We have begun an exercise to understand the subrogated claims, which requires a detailed analysis to be undertaken to understand the impact of subrogated claims arising from the Company and other guarantors making payments to the secured creditors on behalf of themselves and other group companies. The Administrators anticipate being able to comment on this in more detail in the next progress report.

Based on available information, the Administrators believe that there will be a surplus available to unsecured creditors.

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

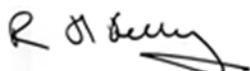
The Joint Administrators will continue to manage the affairs, business and property of the Company to achieve the purpose of the Administration. Future tasks will include, but may not be limited to, the following:

- Continuing debtor collections to maximise recoveries for creditors.
- Dealing with employee and 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 deemed 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-000303
Registered name of the Company:	OfficeTeam Limited
Registered office address of the Company:	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:	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

OfficeTeam Limited (in Administration)

Joint Administrators' Receipts and Payments from 14 November 2020 to 13 November 2021

Statement of Affairs Estimated to Realise Values (£)	1,2	Period from		Total
		14 May 2020 to 13 May 2021 (£)	14 May 2021 to 13 November 2021 (£)	
Fixed charge receipts (excludes debts assigned to LBG)				
2		2	-	2
9,771,388	3	50,757	17,504	68,261
		-	1,995,679	1,995,679
		-	539,240	539,240
100,000		100,000	-	100,000
		2,042,263	312,101	2,354,365
		2,193,022	2,864,524	5,057,546
Fixed charge payments				
	3	61,910	323	62,233
		37,696	1,981	39,678
		2,042,263	312,101	2,354,364
		-	82,593	82,593
		441,884	389	442,273
		2,583,752	397,387	2,981,140
		(390,731)	2,467,137	2,076,406
Floating charge receipts				
Asset realisations				
		528,311	-	528,311
45,000		74,000	-	74,000
375,000		375,000	-	375,000
4		4	-	4
273,591		272,946	-	272,946
439,016		408,638	-	408,638
		64,985	6,425	71,410
		35,000	-	35,000
		-	-	-
Transfer receipts				
		326,906	(21,276)	305,629
		16,435	(1,356)	15,079
		454,366	389	454,755
		-	-	-
4		657	107	764
		2,557,247	(15,710)	2,541,537
Floating charge payments				
		107,795	-	107,795
Costs of realisations:				
		6,232	-	6,232
		6,250	-	6,250
		2,000	2,000	4,000
		11,775	-	11,775
		649	-	649
Expenses:				
		2,513	9	2,522
		348	-	348
		2,778	-	2,778
		95	-	95
Property:				
		309,557	-	309,557
		11,151	-	11,151
Professional Fees:				
		70,327	-	70,327
		22,561	-	22,561
Administrators' Expenses:				
		842,000	-	842,000
		1,445	-	1,445
		1,397,476	2,009	1,399,485
		1,159,771	(17,719)	1,142,052
		769,040	2,449,417	3,218,458
Funds in Hand				
		571,238	2,643,501	3,214,739
		197,802	(194,083)	3,719
		769,040	2,449,417	3,218,458

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:

	Period from 14 May 2020 to 13-May-21 (£)	Period from 14 May 2021 to 13-Nov-21 (£)	Total (£)
Trade debtor balance - At appointment	13,960,657		
Less: Irrecoverable intercompany balance	(3,222,712)		
Debtor balance	10,737,945		
Debtor collections received	8,659,652	107,506	8,767,158
Commissions on debtor receipts paid from IDF	(454,366)	(389)	(454,755)
LBG IDF Interest and service charges	(134,259)	-	(134,259)
Net debtor collections enabling a reduction in the IDF debt	8,071,027	107,117	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 expenses incurred

Type of Expense	Paid in Period to 13 May 2021	Paid in Period to 13 November 2021	Outstan ding ³	Total	Per Estimate Dated 21 May 2020
	£	£	£	£	£
Payments made from the estate which are not disbursements ¹					
<i>Fixed charge</i>					
Erroneous Debtor Receipts Returned	61,909	323	-	62,232	-
Transfer to Debtor Collection Account	37,696	1,981	-	39,678	-
Erroneous Debtor Receipts Returned from Debtor Collection Account	2,042,263	312,101	-	2,354,364	-
Debtor Collection Agent Commission	441,884	389	-	442,273	820,000
<i>Floating charge</i>					
<i>Pre-Administration Costs</i>					
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
<i>Costs of realisations</i>					
Contribution to Purchaser Staff Costs	8,250	2,000	-	10,250	-
Contractor fees (Rebates and Customer Contracts)	6,232	-	-	6,232	-
Return of Deposits	11,775	-	-	13,775	-
Other Costs - Smart Room fee	649	-	-	649	1,000
<i>Expenses</i>					
Insurance costs	2,778	-	-	2,778	40,000
Storage costs	348	-	-	348	-
Bank charges	2,513	9	-	2,522	1,000
Statutory costs	95	-	-	95	1,000
<i>Property</i>					
Property Payments (LTO Properties)	309,558	-	-	309,558	580,000
Property Payments (Non-LTO Properties)	11,151	-	-	11,151	20,000
<i>Professional Fees</i>					
Legal costs - Pinsent Mason LLP	49,565	-	-	49,565	65,000
Legal costs - Clarion Solicitors	20,763	-	-	20,763	-
Agents costs - Gordon Brothers	22,561	-	-	22,561	20,000
<i>Administrators' Disbursements</i>					
Specific penalty bond	1,280	-	-	1,280	1,280
Postage and printing	165	-	644	809	3,500
Conference call facilities	-	-	-	-	5,000
Totals	3,139,229	316,804	644	3,456,676	1,557,780

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 invoiced 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.

OfficeTeam Limited (in Administration)

Joint Administrators' time costs for the period from 14 November 2020 to 13 November 2021 and a comparison with the fee estimate dated 21 May 2020

	Total to 13 May 2021			Actual in this period			Actual in this period and total to 13 November 2021			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	405.6	155,961.0	385	102.4	35,007.5	342	508.0	190,968.50	376	195.4	99,839.0	511
Bank & Statutory Reporting	246.7	162,047.0	657	24.5	12,477.5	509	271.2	174,524.50	644	237.3	124,498.0	525
Creditors	439.7	204,902.7	466	77.4	27,039.0	349	517.1	231,941.70	449	483.5	246,808.0	510
Debtors	1,475.1	858,357.0	582	61.6	32,158.0	522	1,536.7	890,515.00	579	388.1	201,606.0	519
Employee Matters	161.9	84,759.0	524	4.2	4,264.0	1,015	166.1	89,023.00	536	90.6	51,049.0	563
Immediate Tasks	24.6	17,791.0	723	-	-	-	24.6	17,791.00	723	54.8	30,288.0	553
Investigation & CDDA	59.7	26,181.0	439	-	-	-	59.7	26,181.00	439	92.9	49,719.0	535
Job Acceptance & Strategy	56.6	27,044.0	478	-	-	-	56.6	27,044.00	478	61.3	32,271.0	526
Other Assets	40.1	29,282.5	730	2.5	2,262.5	905	42.6	31,545.00	740	38.2	23,463.0	614
Other Matters	195.5	90,209.5	461	9.8	6,234.0	636	205.3	96,443.50	470	138.1	73,519.0	532
Property	327.3	175,899.0	537	20.3	9,744.0	480	347.6	185,643.00	534	149.4	75,574.0	506
Public Relations	1.0	900.0	900	-	-	-	1.0	900.00	900	9.6	6,188.0	645
Retention of Title	378.8	191,453.5	505	-	-	-	378.8	191,453.50	505	306.1	178,760.0	584
Statutory Duties	133.2	67,717.5	508	5.0	2,927.5	586	138.2	70,645.00	511	217.1	120,948.0	557
Unsecured Creditor Distributi	1.0	222.0	222	4.3	2,297.5	534	5.3	2,519.50	475	-	-	-
VAT & Taxation	65.3	38,467.0	589	19.4	9,798.0	505	84.7	48,265.00	570	115.9	74,333.0	641
Total	4,012.1	2,131,193.70	531	331.4	144,209.50	435	4,343.5	2,275,403.20	524	2,578.3	1,388,863.00	539

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 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.