



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://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 Administrator's name

Full forename(s)

Surname

### 3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

### 4 Administrator's name <sup>①</sup>

Full forename(s)

Surname

① **Other administrator**

Use this section to tell us about  
another administrator.

### 5 Administrator's address <sup>②</sup>

Building name/number

Street

Post town

County/Region

Postcode

Country

② **Other administrator**

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	d	m	m	y	y	y	y
To date	d	d	m	m	y	y	y	y

### 7 Progress report

I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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# AM10

## Notice of administrator's progress report

### Presenter information

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

### Important information

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

### Where to send

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

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

### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

TO ALL KNOWN CREDITORS

9 March 2023

Ref: TV/BL/SDN

Email:

[sdnrealisations@parthenon.ey.com](mailto:sdnrealisations@parthenon.ey.com)

Dear Sirs

## **SDN Realisations Limited (formerly Scandiborn Limited) (In Administration) (“the Company”)**

### **High Court of Justice, Business and Property Courts Manchester - CR-2022-MAN-000677**

On 11 August 2022 the Company entered Administration and T Vance and S J Woodward were 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.

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 11 August 2022 to 10 February 2023 and should be read in conjunction with the Joint Administrators’ Statement of Proposals (“the Proposals”) delivered to creditors on 18 August 2022. Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

### **Summary of progress since the Proposals date 18 August 2022**

#### **Approval of the Proposals**

Following delivery of the Proposals to all known creditors on 18 August 2022, no request for a decision procedure was received from creditors and the Proposals were deemed approved on 31 August 2022.

#### **Receipts and payments account**

A summary of our receipts and payments for the period from 11 August 2022 to 10 February 2023 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

#### **Realisations of assets**

##### ***Sale of assets to Findel Education Limited***

As detailed in the Proposals, a sale of certain of the Company’s assets was completed to Findel Education Limited (“Findel”) on 11 August 2022 for consideration of £429,957 which was due and payable upon completion. Additionally, there was a retention balance of £321,276, which was subject to the outcome of a subsequent stock count and creditor reconciliation exercise. This reconciliation exercise has now been completed and no further funds are due to the Company.

The Findel sale consideration has been received in full and the assets sold comprise the following:

Description of asset	Purchase consideration (£)
Stock	351,950
Brand & IP	78,000
Other business assets	7
<b>Total</b>	<b>429,957</b>

### **Other realisations**

#### ***Trade Debtors***

During the period of the report, trade debtor receipts totalling £31,376 have been collected in relation to pre-appointment sales, where customers had paid for goods via third party merchant service providers.

No further trade debtor realisations are expected.

#### ***Cash on Appointment***

Funds of £643,367 held by the Company at the date of Administration have been transferred to the Administrators' bank account.

#### ***Other debtors and pre-payments***

Funds totalling £13,362 have been recovered following the pursuit of supplier deposits and other prepayments.

No further other debtor or pre-payment realisations are anticipated.

#### **Bank Interest**

Bank interest received in respect of funds held in the Administration current account totalled £1,508 at 10 February 2023.

#### **Leasehold property**

On 11 August 2022, a licence to occupy ("LTO") was granted to Findel at a leasehold property. At the time of this report, Findel has now vacated these premises. Funds of £70,750 have been received from Findel during the reporting period in relation to the LTO property, to meet the costs of rent and other property costs under the lease whilst occupied by LTO. To date, we have made transfer payments totalling £66,000.

We are currently seeking to finalise the leasehold property costs in relation to the LTO.

#### **Plant and Machinery**

As detailed in the Proposals, the Company owned plant & machinery and computer & office equipment, which was not included in the sale agreement with Findel that was completed on 11 August 2022.

A sale of certain of these assets was completed at the start of February 2023 for consideration of £9,500 plus VAT. The funds in relation to this sale have now been received, however they were received after 10 February 2023 and therefore are not reflected in the receipts and payments account detailed at Appendix 2.

We are currently pursuing the sale of further plant & machinery assets and shall provide further updates in our future progress reports.

### **Tax matters**

The Joint Administrators have worked alongside EY tax specialists to prepare and submit corporation tax returns for the Company for the pre-appointment period and as at the date of the appointment.

It is anticipated that the submission of these corporation tax returns will result in corporation tax refunds for the Company.

We shall provide further updates in future progress reports as and when this position becomes clearer.

### **Investigations**

We have concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986, with the necessary return made to the Directors' Conduct Reporting Service.

The Joint Administrators can advise that no investigations are continuing in this respect 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 1 December 2022.

During the period covered by this report, we have incurred time costs of £239,192. Of this sum, £nil has been paid to date.

An analysis of the time spent, and a comparison with the fee estimate dated 18 August 2022 is attached as Appendix 4 to this report.

We anticipate that our remuneration will exceed the fee estimate dated 18 August 2022. This increase reflects the additional time that has necessarily been spent by the Joint Administrators and their staff.

In particular, additional time has been spent in investigating the Company's tax position and preparing corporation tax returns with a view to facilitating a tax refund. This additional work has involved engaging with our specialist tax colleagues to a much larger extent than initially anticipated. However, this additional time spent is anticipated to result in additional recoveries and to increase the net floating charge property available to the unsecured creditors.

Additionally, more time has been spent than anticipated in dealing with unsecured creditor correspondence and answering specific creditor queries, particularly in respect of US gift card creditors which was not previously anticipated.

We will not draw remuneration in excess of the Administrators' fee estimate without the prior approval of creditors.

### **Joint administrators' statement of expenses incurred**

During the period covered by this report, we have incurred expenses totalling £191,887 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 3 of this report.

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

- ▶ Transfer payments due to Findel (£79,045) - Expenses have been incurred during the period in relation to Transfer payments due to Findel, which were not anticipated at the time of preparing our estimate of expenses. These expenses specifically relate to the pass-through of funds which were received into the Company's bank account, but which related to sales made by Findel and were therefore due to them.

### **Pre-administration costs**

As reported within the Proposals, the Joint Administrators incurred costs of £30,070 (plus VAT) in connection with their pre-Administration legal work. These payments were approved by a resolution of creditors on 1 December 2022 under Rule 3.52 and has been paid during the period of this report

### **Distributions to creditors**

#### **Secured creditors**

Growth Lending 2020 Limited ("Boost"), the Company's principal secured lender, had total indebtedness of c.£3,496,000 as at the date of the Appointment.

As set out in Appendix 2, funds of £600,000 has been distributed to Boost in the period. Based upon present information, it is anticipated that Boost will suffer a shortfall against their debt.

#### **Preferential creditors**

We estimate that HMRC related preferential creditor claims may total c.£152,000 in respect of claims for VAT, PAYE and NIC.

To date, no distributions have been made in respect of preferential claims. However, based on the current estimate of preferential claims and the value of assets realised to date, it is anticipated that the preferential claims will be paid in full.

### **Non-preferential creditors**

The Directors' Statement of Affairs estimates that the Company's non-preferential creditors totalled c.£1.5m.

As advised in the Proposals, the level of dividend which will eventually be available to non-preferential creditors is uncertain, but given the shortfall expected to be suffered by the secured creditor, we anticipate distributions to non-preferential creditors will be limited to funds set aside pursuant to the 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.

Based on current estimates, the value of the Prescribed Part, before the costs of dealing with the Prescribed Part, is anticipated to range from c.£160,000 to c.£180,000. To date, no distributions have been made in respect of non-preferential creditor claims.

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.

### **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:

- ▶ Dealing with remaining property tasks, including finalising matters arising from the LTO.
- ▶ Realising other residual assets.
- ▶ Distributing realisations to the secured creditors under their fixed and floating charges.
- ▶ Dealing with unsecured creditor queries.
- ▶ Dealing with preferential creditor claims and making a distribution to the preferential creditors.
- ▶ Agreeing unsecured creditor claims and making a distribution to creditors.
- ▶ If the Joint Administrators deemed appropriate, to seek an extension and/or further extensions to the Administration from the Company's creditors and/or the Court.
- ▶ Dealing with corporation tax and VAT matters, including filing statutory returns and pursuing the corporation tax refund.
- ▶ Dealing with statutory reporting and compliance obligations.
- ▶ Ongoing monitoring and reporting to the secured creditors.



- ▶ Finalising the Administration, including payments of all Administration period liabilities.
- ▶ 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 at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully  
for the Company



T Vance  
Joint Administrator

T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and S J Woodward is licensed in the United Kingdom to act as insolvency practitioners 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, T G Vance and S J Woodward, 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](http://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 Manchester, Insolvency and Companies List (ChD)	
Court reference:	CR-2022-MAN-000677	
Registered name of the company:	SDN Realisations Limited (formerly Scandiborn Limited)	
Registered office address of the company:	Unit O, Melton Commercial Park, Melton Mowbray, Leicestershire, LE14 3JL	
Registered number:	10159378	
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A	
Date of appointment of the joint administrators:	11 August 2022	
Details of any changes of administrator:	None	
Full names of the administrators:	Timothy Vance and Samuel James Woodward	
Office holder number(s):	26710 and 12030	
Administrators' address(es):	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR	Ernst & Young LLP 2 St Peters Square Manchester M2 3EY
Telephone number:	+44 113 298 2224	
Name of alternative person to contact with enquiries about the case:	Ben Leach	

## Appendix 2

### SDN Realisations Limited (formerly Scandiborn Limited) (in Administration)

SDN Realisations Limited - Administrators' receipts and payments  
account for the period from 11 August 2022 to 10 February 2023

Estimated to realise as per Directors' Statement of Affairs (£)	Period from 11 August 2022 to 10 February 2023 £
<b>Fixed charge receipts</b>	
78,000	Intellectual Property
	<u>78,000</u>
	<b>78,000</b>
<b>Fixed charge payments</b>	
	-
<b>Payments to secured creditor</b>	
	Distribution to Boost - Fixed Charge
	<u>78,000</u>
	<b>78,000</b>
<b>Net fixed charge realisations</b>	
	-
<b>Floating charge asset receipts</b>	
351,950	Stock Consideration - Findel
7	Other sale consideration - Findel
16,780	Trade debtors
645,092	Cash on appointment
4,649	Other debtors and pre-payments
	Bank interest
	<u>351,950</u>
	<u>7</u>
	<u>31,376</u>
	<u>643,367</u>
	<u>13,362</u>
	<u>1,508</u>
	<b>1,041,570</b>
<b>Floating charge transfer receipts</b>	
	LTO transfer receipts
	Transfer receipts due to Findel
	<u>70,750</u>
	<u>79,045</u>
	<b>149,795</b>
<b>Floating charge payments</b>	
	Pre-appointment legal fees
	Legal fees
	Carriage costs
	Public notices
	Bank charges
	Insurance
	<u>30,070</u>
	<u>9,546</u>
	<u>5,649</u>
	<u>86</u>
	<u>6</u>
	<u>1,105</u>
	<b>46,462</b>
<b>Floating charge transfer payments</b>	
	LTO transfer payments
	Transfer payments due to Findel
	<u>66,000</u>
	<u>79,045</u>
	<b>145,045</b>
<b>Net floating charge realisations</b>	
	<b>999,858</b>
<b>Payments to secured creditor</b>	
	Distribution to Boost - Floating Charge
	<u>522,000</u>
	<b>522,000</b>
<b>Total net realisations</b>	
	<b>477,858</b>
<u>Represented by:</u>	
	Cash at bank
	VAT receivable
	<u>470,888</u>
	<u>6,970</u>
	<b>477,858</b>

#### Notes

1. Receipts and payments are stated net of VAT.

## Appendix 3

### SDN Realisations Limited (in Administration)

#### Summary of joint administrators' expenses incurred

Type of Expense	Per Estimate Dated 18 August 2022	Paid in Period	Total
<b>Payments made from the estate which are not disbursements</b>			
Bank charges	250	6	6
Legal costs	15,000	9,546	9,546
Agent's costs	7,500	-	-
Statutory costs	1,000	-	-
Insurance	2,000	1,105	1,105
Property occupation costs	82,537	66,000	66,000
Property exit costs	10,000	-	-
Storage charges	500	-	-
Carriage costs	30,000	5,649	5,649
Sundry costs	1,000	86	86
Transfer payments due to Findel	-	79,045	79,045
<b>Category 2 Expenses</b>			
Pre-administration costs	30,070	30,070	30,070
<b>Category 1 disbursements</b>			
Specific penalty bond	420	320	320
Postage, Printing and Public Notices	500	60	60
<b>Category 2 disbursements</b>			
Mileage	300	-	-
<b>Totals</b>	<b>181,077</b>	<b>191,887</b>	<b>191,887</b>

## 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

**SDN Realisations Limited (formerly Scandiborn Limited)**  
**(in Administration)**

**Joint administrators' time costs for the period from 11 August 2022 to 10 February 2023 and a comparison with the fee estimate dated 18 August 2022**

	Per Fee Estimate			Actual in this period and total to 10 February 2023		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	17.0	7,500	441	80.5	45,677	567
Creditors	16.3	6,750	414	35.7	22,141	620
Debtors	6.2	3,000	484	5.2	4,498	865
Employees	7.0	3,000	429	15.0	10,620	708
Immediate Tasks	2.8	1,500	536	5.0	4,325	865
Investigation & CDDA	8.6	3,750	436	48.1	27,746	577
Job Acceptance & Strategy	3.9	2,250	577	-	-	-
Legal Issues	3.3	2,250	682	-	-	-
Other Assets	4.8	3,000	625	11.5	10,198	887
Other Matters	3.5	2,250	643	1.0	990	990
Prescribed Part	42.8	15,000	350	-	-	-
Property	6.1	3,000	492	3.0	2,595	865
Public Relations	1.4	750	536	-	-	-
Retention of title	2.6	1,500	577	-	-	-
Reporting	15.6	9,750	625	51.5	38,765	753
Statutory Duties	9.3	5,250	565	38.3	21,013	549
VAT & Taxation	8.7	4,500	517	80.9	50,625	626
<b>Total</b>	<b>159.8</b>	<b>75,000</b>	<b>469</b>	<b>375.7</b>	<b>239,192</b>	<b>637</b>

Notes: Time is charged in 6-minute intervals

## Summary of Work

The 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.
- ▶ **Creditors** – Dealing with creditor claims, correspondence with creditors, answering specific creditor queries, processing of distributions to the secured.
- ▶ **Debtors** – Assessing, pursuing and monitoring book debts relating to pre-appointment customer payments to third party merchant service providers
- ▶ **Employee matters** – Writing to employees regarding TUPE related matters and dealing with ad-hoc employee enquiries.
- ▶ **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.
- ▶ **Investigation & CDDA** – carrying out investigations required by Statement of Insolvency Practice No. 2, preparation and submission of return to the Directors' Conduct Reporting Service and collecting and storing the Company's accounting records and books and records.
- ▶ **Other Assets** – principally relates to realising deposits and pre-prepayments as well as seeking to realise value from other Company owned plant & machinery and computer & office equipment.
- ▶ **Other Matters** – relates to time spent corresponding with the appointed insurance broker, dealing with any assets owned by third parties and other general enquiries.
- ▶ **Property** – time spent dealing with the leasehold property, liaising with the landlords of properties vacated and other property related matters issues including corresponding with utility and business rate providers in respect of the Company's two leasehold premises.
- ▶ **Reporting** – includes statutory and other reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, the filings of documents at Companies House and regular reporting to the secured creditors.
- ▶ **Statutory duties** – time spent in complying with statutory matters including statutory filing with Companies House and the Court, notification of the Joint Administrators' appointment to creditors and members, advertising of the appointment, and writing to creditors pursuant to Statement of Insolvency Practice 16 regarding the sale of the Company's assets.
- ▶ **VAT and taxation** - investigating the Company's VAT and corporation tax position up to the date of appointment and submitting returns as required.