



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 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

From date

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

**Presenter information**

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

TO ALL KNOWN CREDITORS

22 February 2024

Ref: TV/BL/SDN

Email:
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

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 2023 to 10 February 2024 and should be read in conjunction with our previous progress reports and 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 during the period of the report

Pre-appointment corporation tax return and refund

Following their appointment, and with the assistance of EY tax specialists, the Joint Administrators prepared and submitted corporation tax returns for the Company for the pre-appointment and on appointment periods in order to seek the recovery of tax refunds which are believed to be due to the Company.

The Joint Administrators are in final discussions with HM Revenue & Customs regarding the refunds due and are anticipating final confirmation from HM Revenue & Customs on this matter shortly.

Plant and Machinery

As previously reported, the Joint Administrators are in negotiation with a potential purchaser of the Company’s remaining plant & machinery assets. Whilst these discussions are progressing, the timing of any sale is currently uncertain. We shall provide further updates in this regard in our next progress report.

Extension of Administration

As noted at the time of our last progress report, the Administration of the Company was extended by consent of the Company’s creditors on 14 June 2023 for a period of 12 months until 10 August 2024. It

is currently anticipated that a further extension of the Administration will be required, which shall be sought by order of the court.

Receipts and payments account

A summary of our receipts and payments for the period from 11 August 2023 to 10 February 2024 is attached at Appendix 2.

The receipts and payments do not reflect estimated future realisations or costs.

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 1 December 2022.

During the period covered by this report, we have incurred time costs of £20,774, taking total time costs during the period of the Administration to £287,327. Of this sum, £nil has been paid.

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.

As previously advised, we anticipate that our remuneration will exceed the fee estimate dated 18 August 2022. This is primarily attributable to the ongoing time spent liaising with HM Revenue & Customs to facilitate a potential tax refund, as well as the additional administrative and statutory matters that have been required due to the prolonged nature of these discussions. Additionally, more time has been spent than anticipated in dealing with unsecured creditor correspondence and answering specific creditor queries, particularly gift card creditors.

It is noted that this additional time spent is anticipated to result in additional recoveries for the Company and to increase the net floating charge property available to the unsecured creditors.

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 £26,762 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 3 of this report.

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

- **Property occupation costs (£92,666)** – costs have exceeded the original fee estimate by £10,129 in relation to rent, service and insurance charges, which have now been settled in full. The entirety of these costs have been recharged to Findel Education Limited under the terms of the licence to occupy.

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 have 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 previously advised, 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:

- ▶ Pursuing corporation tax refunds for the Company relating to the pre-appointment period.
- ▶ Realising other plant & machinery 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 further extensions to the Administration from the Company's creditors and the Court.
- ▶ 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.

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.

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 Sq 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 2023 to 10 February 2024

Estimated to realise as per Directors' Statement of Affairs (£)		Period from 11 August 2022 to 10 August 2023 £	Period from 11 August 2023 to 10 February 2024 £	Period from 11 August 2022 to 10 February 2024 £
Fixed charge receipts				
78,000	Intellectual Property	78,000	-	78,000
		78,000	-	78,000
Fixed charge payments				
		-	-	-
Payments to secured creditor				
	Distribution to Boost - Fixed Charge	78,000	-	78,000
		78,000	-	78,000
Net fixed charge realisations		-	-	-
Floating charge asset receipts				
351,950	Stock Consideration - Findel	351,950	-	351,950
7	Other sale consideration - Findel	7	-	7
16,780	Trade debtors	31,376	-	31,376
645,092	Cash on appointment	643,367	-	643,367
4,649	Other debtors and pre-payments	13,362	-	13,362
	Plant & Machinery	9,500	-	9,500
	Bank interest	4,934	4,688	9,622
		1,054,496	4,688	1,059,184
Floating charge transfer receipts				
	LTO transfer receipts	70,750	21,916	92,666
	Transfer receipts due to Findel	79,045	-	79,045
		149,795	21,916	171,711
Floating charge payments				
	Pre-appointment legal fees	30,070	-	30,070
	Legal fees	9,546	-	9,546
	Carriage costs	5,649	-	5,649
	Public notices	86	-	86
	Bank charges	8	1	9
	Insurance	1,200	95	1,296
		46,559	96	46,655
Floating charge transfer payments				
	LTO transfer payments	66,000	26,666	92,666
	Transfer payments due to Findel	79,045	-	79,045
		145,045	26,666	171,711
Net floating charge realisations		1,012,687	- 158	1,012,529
Payments to secured creditor				
	Distribution to Boost - Floating Charge	522,000	-	522,000
		522,000	-	522,000
Total net realisations		490,687	- 158	490,529
Represented by:				
	Cash at bank	483,101	6,855	489,956
	VAT receivable	7,587	7,013	573
		490,687	- 158	490,529

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 as at 11 August 2023	Paid in Period to 10 February 2024	Total
Payments made from the estate which are not disbursements				
Bank charges	250	8	1	9
Legal costs	15,000	9,546	-	9,546
Agent's costs	7,500	-	-	-
Statutory costs	1,000	-	-	-
Insurance	2,000	1,200	95	1,296
Property occupation costs	82,537	66,000	26,666	92,666
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
Category 2 Expenses				
Pre-administration costs	30,070	30,070	-	30,070
Category 1 disbursements				
Specific penalty bond	420	320	-	320
Postage, Printing and Public Notices	500	60	-	60
Category 2 disbursements				
Mileage	300	-	-	-
Totals	181,077	191,984	26,762	218,746

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 2023 to 10 February 2024 and a comparison with the fee estimate dated 18 August 2022

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	17.0	7,500	441	4.3	2,506.0	583	106.4	48,066.0	452
Creditors	16.3	6,750	414	1.0	950.0	950	40.4	26,796.0	663
Debtors	6.2	3,000	484	-	-	-	5.2	4,498.0	865
Employees	7.0	3,000	429	-	-	-	19.0	13,494.0	710
Immediate Tasks	2.8	1,500	536	1.0	315.0	315	6.0	4,640.0	773
Investigation & CDDA	8.6	3,750	436	-	-	-	48.1	27,905.5	580
Job Acceptance & Strategy	3.9	2,250	577	-	-	-	-	-	-
Legal Issues	3.3	2,250	682	-	-	-	-	-	-
Other Assets	4.8	3,000	625	1.0	950.0	950	14.6	13,284.0	910
Other Matters	3.5	2,250	643	1.3	1,235.0	950	4.8	4,547.5	947
Prescribed Part	42.8	15,000	350	-	-	-	-	-	-
Property	6.1	3,000	492	-	-	-	-	-	-
Public Relations	1.4	750	536	-	-	-	-	-	-
Retention of title	2.6	1,500	577	-	-	-	-	-	-
Reporting	15.6	9,750	625	3.5	3,325.0	950	57.2	45,753.0	800
Statutory Duties	9.3	5,250	565	3.5	1,890.0	540	41.8	21,372.5	511
VAT & Taxation	8.7	4,500	517	17.1	9,602.5	562	119.8	73,510.0	614
	159.8	75,000	469	33	20,774	635	467	287,327	615

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 including for the pre-appointment and appointment periods to seek the recovery of tax refunds which we believe are due to the Company.