



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
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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 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

30 August 2023

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 February 2023 to 10 August 2023 and should be read in conjunction with our previous reports dated 9 March 2023 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

As previously reported, following their appointment, 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 to seek the recovery of tax refunds which we believe are due to the Company.

We are currently liaising with HM Revenue & Customs regarding the returns that have been submitted and shall provide further updates in this regard in our next progress report.

Plant and Machinery

As detailed in the Proposals, the Company owned plant & machinery and computer & office equipment, which was excluded in the sale agreement with Findel that was completed on 11 August 2022.

In February 2023, a sale of certain of the excluded assets was completed for consideration of £9,500 plus VAT.

The Administrators are currently in discussions with a potential purchaser for the Company’s remaining plant & machinery assets and shall provide further updates in our future progress reports.

Extension of Administration

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. The reasons for extending the Administration include, but are not limited to the following:

- Pursuing corporation tax refunds for the Company relating to the pre-appointment period.
- Continuing to pursue the sale of further plant & machinery assets.
- Finalising leasehold property costs.
- Distributing realisations to the secured creditor.
- Dealing with preferential creditor claims and making a distribution to the preferential creditors.
- Agreeing unsecured creditor claims and making a distribution to the unsecured creditors.

Receipts and payments account

A summary of our receipts and payments for the period from 11 August 2022 to 10 August 2023 is attached at Appendix 2. It does 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 prior to the Period.

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 £36,584, taking total time costs during the period of the Administration to £266,553. 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 increase reflects the additional time that has necessarily been spent by the Joint Administrators and their staff 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 £97.00 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 3 of this report.

Pre-administration costs

As reported in the previous progress report, 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 were paid during the period prior to 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 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 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:

- ▶ Pursuing corporation tax refunds for the Company relating to the pre-appointment period.
- ▶ Realising other plant & machinery assets.
- ▶ Finalising matters arising from the LTO.
- ▶ 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.
- ▶ 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.

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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 2022 to 10 August 2023

Estimated to realise as per Directors' Statement of Affairs (£)	Period from 11 August 2022 to 10 February 2023 £	Period from 11 February 2023 to 10 August 2023 £	Period from 11 August 2022 to 10 August 2023 £
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	1,508	3,426	4,934
	1,041,570	12,926	1,054,496
Floating charge transfer receipts			
LTO transfer receipts	70,750	-	70,750
Transfer receipts due to Findel	79,045	-	79,045
	149,795	-	149,795
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	6	2	8
Insurance	1,105	95	1,200
	46,462	97	46,559
Floating charge transfer payments			
LTO transfer payments	66,000	-	66,000
Transfer payments due to Findel	79,045	-	79,045
	145,045	-	145,045
Net floating charge realisations	999,858	12,829	1,012,687
Payments to secured creditor			
Distribution to Boost - Floating Charge	522,000	-	522,000
	522,000	-	522,000
Total net realisations	477,858	12,829	490,687
<u>Represented by:</u>			
Cash at bank	470,888	12,213	483,101
VAT receivable	6,970	616	7,587
	477,858	12,829	490,687

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 10 February 2023	Paid in Period	Total
Payments made from the estate which are not disbursements				
Bank charges	250	6	2	8
Legal costs	15,000	9,546	-	9,546
Agent's costs	7,500	-	-	-
Statutory costs	1,000	-	-	-
Insurance	2,000	1,105	95	1,200
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
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	191,887	97	191,984

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 August 2023 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	21.6	8,788	407	102.1	45,560	446
Creditors	16.3	6,750	414	3.7	3,385	915	39.4	25,846	656
Debtors	6.2	3,000	484	-	-	-	5.2	4,498	865
Employees	7.0	3,000	429	4.0	2,874	719	19.0	13,494	710
Immediate Tasks	2.8	1,500	536	-	-	-	5.0	4,325	865
Investigation & CDDA	8.6	3,750	436	-	-	-	48.1	27,906	580
Job Acceptance & Strategy	3.9	2,250	577	-	-	-	-	-	-
Legal Issues	3.3	2,250	682	-	-	-	-	-	-
Other Assets	4.8	3,000	625	2.1	1,817	865	13.6	12,334	907
Other Matters	3.5	2,250	643	2.5	2,163	865	3.5	3,313	946
Prescribed Part	42.8	15,000	350	-	-	-	-	-	-
Property	6.1	3,000	492	1.0	865	865	4.0	3,460	865
Public Relations	1.4	750	536	-	-	-	-	-	-
Retention of title	2.6	1,500	577	-	-	-	-	-	-
Reporting	15.6	9,750	625	2.2	1,903	865	53.7	42,428	790
Statutory Duties	9.3	5,250	565	-	-	-	38.3	19,483	509
VAT & Taxation	8.7	4,500	517	21.8	14,790	678	102.7	63,908	622
Total	159.8	75,000	469	58.9	36,584	621	434.6	266,553	613

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.