



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

1 Company details	
Company number	0 1 5 5 9 7 9 4
Company name in full	Supremia International Limited
→ Filling in this form Please complete in typescript or in bold black capitals.	

2 Administrator's name	
Full forename(s)	Adam
Surname	Harris

3 Administrator's address	
Building name/number	Tower Bridge House
Street	St Katharine's Way
Post town	London
County/Region	
Postcode	E 1 W 1 D D
Country	

4 Administrator's name ①	
Full forename(s)	Michael
Surname	Pallott
① Other administrator Use this section to tell us about another administrator.	

5 Administrator's address ②	
Building name/number	Tower Bridge House
Street	St Katharine's Way
Post town	London
County/Region	
Postcode	E 1 W 1 D D
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 1	^d 1	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0	
To date	^d 1	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
--	--

8 Sign and date

Administrator's signature	Signature X  X								
Signature date	^d 3	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0	

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 Mitchell Ward

Company name Mazars LLP

Address Tower Bridge House
St Katharine's Way

Post town London

County/Region

Postcode E 1 W 1 D D

Country

DX

Telephone 020 7063 4000

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Patrick
Surname	Lannagan

3 Insolvency practitioner's address

Building name/number	One St Peters Square
Street	
Post town	Manchester
County/Region	
Postcode	M 2 3 D E
Country	

Continuation page

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 - CVA1, CVA3, CVA4
 - AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
 - REC1, REC2, REC3
 - LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
 - WU07, WU15
 - COM1, COM2, COM3, COM4
 - NDISC

2 Insolvency practitioner's name

Full forename(s)	Mark
Surname	Reynolds

3 Insolvency practitioner's address

Building name/number	Glade House
Street	
Post town	52-54 Carter Lane
County/Region	London
Postcode	E C 4 V 5 E F
Country	

Supremia International Limited In Administration

Administrators' progress report covering the period

11 May 2020 to 10 November 2020

Contents

Administrators' progress report

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Supremia International Limited - In Administration (“the Company”)

Administrators’ progress report covering the period 11 May 2020 to 10 November 2020

To all known creditors

1. Introduction

- 1.1. This report is prepared pursuant to Rule 18.3 and 18.6 of the Insolvency Rules (England and Wales) 2016, the purpose of which is to provide creditors with details of the progress of the Administration to the six-month anniversary of the Administration, being 10 November 2020.
- 1.2. I would advise you that I was appointed Administrator of the Company jointly with Mr M Pallott, Mr P Lannagan and Mr M Reynolds on 11 May 2020. Mr Pallott, Mr Lannagan and I are authorised to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. The report should be read in conjunction with the Joint Administrators’ proposals issued to creditors on 2 July 2020.
- 1.4. The purpose of the Administration is to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.5. Identification details regarding the Company and the Administrators are attached at Appendix A.

2. Administrators’ Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 11 May 2020 to 10 November 2020 is attached at Appendix B.
- 2.2. A comparison of the estimates provided in the directors’ statement of affairs to actual realisations made to date is also provided.
- 2.3. This comprises a trading account, along with the three currency accounts, which shows the credit balances in their respective currencies.
- 2.4. The balances held are currently as follows:
 - £2,804,697
 - \$42,814
 - €251,181
- 2.5. In addition to these balances, there is also net VAT receivable in the amount of £19,967 due from HM Revenue & Customs (“HMRC”).
- 2.6. Further details of the realisations and expenses paid is provided below. All funds are held at Barclays Bank Plc in interest bearing accounts.

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3. Asset Realisations and Details of Progress

Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that there have been no transactions with connected parties.

Unconnected Party Transactions:

- 3.2. The following asset realisations have been concluded:

3.3. Sale of Business / Investments in Subsidiaries

- 3.3.1. As previously reported, ADM Group purchased the shares in Supremia US and Supremia Russia for £1,500,000, which has been received, plus deferred consideration with a potential value of £322,000.
- 3.3.2. The deferred consideration represents 50% of the net recovery from litigation that Supremia US has initiated against a third party. The litigation remains ongoing but I am unable to provide any further detail at this point as it may prejudice any future legal proceedings.

3.4. Book Debts

- 3.4.1. The Company operated an Invoice Finance agreement with HSBC Invoice Finance ("HIF").
- 3.4.2. At the date of appointment, HIF were owed £300,419 and the debtor ledger totalled c. £1,690,000, excluding intercompany debts.
- 3.4.3. To date and following currency conversions, debtors totalling £1,664,893 have been realised.
- 3.4.4. Accordingly, the debt due to HIF has been discharged in full from the debts realised and a surplus of £1,364,474 has been transferred into the Administration account and the IF accounts have all been closed.

3.5. Post administration trading and conversion of work in progress ("WIP")

- 3.5.1. At the date of my Proposals, I reported that a total of approximately £100,000 had been received into the HIF accounts and £357,000 had been paid directly into the Administration estate.
- 3.5.2. I can now confirm that a total of £628,580 has been received into the Administration estate and no further realisations are anticipated.

3.6. Stock

- 3.6.1. At the date of Administration, the Company held stock on its balance sheet in the amount of £448,225 in respect of one order.
- 3.6.2. This amount was immediately invoiced by the Joint Administrators and following the issue of a credit note in respect of reduced storage costs, the amount of £444,811 has now been paid in full.
- 3.6.3. No further realisations are expected to be forthcoming in this respect.

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3.7. Cash at Bank - GBP

- 3.7.1. Following our appointment, the sum of £8,979 was received from HSBC Bank PLC (“HSBC”) in respect of funds held on the Company’s Sterling account at the time the Company was placed into Administration. A further balance of £141,481 was then subsequently transferred by HSBC Bank.
- 3.7.2. Further, minimal realisations are expected as mentioned in section 4.5.

3.8. Cash at Bank – EUR

- 3.8.1. The sum of €307 was initially realised from HSBC Bank in respect of funds held on the Company’s Euro account at the date of Administration.
- 3.8.2. HSBC Bank advised that a further €49,955 was held in a separate HSBC Euro account that the Administrators had not been made aware of previously. This was subsequently transferred to the Administration bank account, bringing the total to €50,262.
- 3.8.3. Further, minimal, realisations are expected as mentioned in section 4.5.

3.9. Cash at Bank – USD

- 3.9.1. The sum of \$135,518 was realised from HSBC in respect of funds held on the Company’s USD dollar account at the date of Administration.
- 3.9.2. The Administrators were made aware that HSBC had retained \$100,000 in respect of a VAT bond granted by the Company to H M Revenue & Customs (“HMRC”). We now have confirmation that this amount will be paid directly to HMRC and will not be realised for the benefit of the Administration estate.

3.10. Fixtures and Fittings, Furniture and Computer Equipment

- 3.10.1. As reported previously, Sanderson Weatherall were instructed to value and market the fixtures and fittings, furniture and IT equipment on site to which they attributed an ex-situ value of £10,000 to this.
- 3.10.2. The assets were removed from site in order to be placed in an auction on 19 July 2020.
- 3.10.3. The sum of £15,144 was realised at auction and this balance was subsequently transferred to the Administration account, following the settlement of the agents’ costs.
- 3.10.4. No further recoveries are expected in relation to these assets.

3.11. Coronavirus Job Retention Scheme/”Furlough” Refund

- 3.11.1. The sum of £107,842 has been received into the estate representing payments made by HMRC in respect of the former employees who were placed on furlough prior to being made redundant.

3.12. Cash in Hand

- 3.12.1. The sum of £747 was paid into the Administration account in respect of funds held at the trading premises of the Company.
- 3.12.2. No further recoveries are anticipated in this respect.

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3.13. Sundry Refund

3.13.1. A refund of £35 has been received in the Administration in respect of funds due to the Company.

3.14. Bank Interest Gross

3.14.1. The sum of £10 has so far been realised in respect of funds being held on interest-bearing accounts with Barclays Bank Plc and from the Company's HSBC bank accounts.

4. Assets still to be realised

4.1. Assets still to be realised comprise:

4.2. Sale of Business & Subsidiaries

4.2.1. The sum of £322,000 remains outstanding due to the ongoing litigation as mentioned in section 3.3.2.

4.2.2. We shall continue to seek regular progress updates via our solicitors, Irwin Mitchell LLP, and provide creditors with an update in our subsequent report.

4.3. Intercompany Debtors

4.3.1. According to the directors' Statement of Affairs, the Company was owed approximately £1.7m by two group companies, Supremia Holdings NV and Supremia Russia LLC at the date of the Administration.

4.3.2. We previously reported that the inter-company balance of c. £1m due from Supremia Russia LLC was written off as part of the share sale that took place.

4.3.3. As Supremia Holdings NV is in an insolvency process in Belgium, we cannot currently estimate any realisations in this respect but can confirm that we have submitted our claim in those insolvency proceedings.

4.4. Insurance Refund

4.4.1. It is anticipated that there is likely to be an insurance refund in respect of the policy held by the Company prior to the Administration.

4.4.2. We are unable to determine the quantum of any potential refund and have instructed our agents, Marsh, to request for this to be paid to the Administration account.

4.4.3. We shall provide an update in our subsequent report.

4.5. Cash at Bank

4.5.1. There is still an amount of c. £6k to be realised from HSBC Bank which includes a tax refund paid by the Swiss tax authorities together with a small amount of interest held on the Company accounts.

4.6. VAT Refund

4.6.1. It is anticipated that there is a VAT refund due to the Company for a pre-appointment period which is yet to be realised in the Administration.

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- 4.6.2. Further work is to be undertaken in this respect and an update shall be provided in our next report to creditors.

5. Estimated Outcome Statement

- 5.1. An estimate of the outcome of the Administration is attached at Appendix C.
- 5.2. Based on estimated realisations and payments, it is expected that there will be sufficient funds to enable a return to unsecured creditors.
- 5.3. Please note that the cash balances shown remain in their respective currencies, prior to these being converted to Sterling once the accounts are no longer required. This will not materially affect the outcome shown.
- 5.4. Further details on the expected outcome for each class of creditor is provided below.

6. Liabilities

6.1. Secured Creditors

- 6.1.1. A fixed and floating charge was registered against the Company in favour of HIF. It was created on 20 November 2014 and was registered at Companies House on the same day. As at the date of Administration, the amount owed to HIF was £300,419.
- 6.1.2. Our solicitors, Irwin Mitchell, confirmed the validity of HIF's security and as previously mentioned in Section 3.4.4, HIF has been paid in full in respect of their security.
- 6.1.3. A fixed and floating charge was also registered against the Company in favour of HSBC. It was created on 13 July 2018 and was registered at Companies House on 18 July 2018. As at the date of Administration, all Company accounts were in credit and there was no debt outstanding to HSBC, who have therefore had their security settled in full.

6.2. Preferential Creditors

- 6.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Administration.
- 6.2.2. The Company employed 26 employees who were made redundant on 12 June 2020.
- 6.2.3. The employees are owed outstanding holiday pay which was accrued prior to the Administration, as well as holidays accrued following our appointment, whilst they were still employed by the Company.
- 6.2.4. We estimate that the total due in respect of outstanding holiday pay is £34,321. The employees have claimed for the arrears through the Redundancy Payments Service ("RPS") who will then have a subrogated preferential claim, and additional amounts in excess of the statutory limits paid by the RPS, as well as the holidays accrued during the Administration, will be paid by the Administrators.
- 6.2.5. As indicated in the Estimated Outcome Statement included at Appendix C, preferential creditors will be paid in full.

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6.3. Unsecured Creditors

- 6.3.1. According to the directors' statement of affairs, the Company had 55 unsecured creditors with debts totalling £21,977,383. Claims received to date total £21,741,780 from 17 creditors.
- 6.3.2. This total includes a substantial claim received from KBC Bank NV for the sum of £17,562,880 following the application of the conversion rates at the date the Company entered into Administration.
- 6.3.3. The Administrators have also been notified of potential product liability claims, which we have been advised are not covered by the Company's pre-appointment insurance policy. At this stage we have been advised of the quantum of these claims by the creditors but a formal adjudication process will be undertaken once the Company is placed into Creditors' Voluntary Liquidation.
- 6.3.4. Creditors will note from the Estimated Outcome Statement included at Appendix C, that assuming realisations and expenses are as anticipated, and based on claims received to date, the anticipated return to creditors, prior to the deduction of the costs of the Creditors' Voluntary Liquidation, will be approximately 15p in the £.
- 6.3.5. It should be noted that the Liquidators' costs are to be agreed by the unsecured creditors once the Company has been placed into Liquidation.

7. Prescribed Part

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 7.2. As HSBC Bank and HIF have been repaid in full, the prescribed part does not apply in this instance.

8. Investigations

- 8.1. As advised in the Administrators' proposals, under the Company Directors Disqualification Act 1986, the Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Administration. The Joint Administrators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 07 August 2020.
- 8.2. In accordance with Statement of Insolvency Practice 2, the Joint Administrators are also currently undertaking an initial assessment to identify any actions which may lead to recoveries in the Administration and to consider any further investigations which may be required.
- 8.3. Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. This request

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for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the company's affairs.

9. Pre-Administration Costs

9.1. The pre-administration costs totalled £67,689 as set out below, which is marginally lower than the figure stated in the Administrators' Proposals. These costs were incurred before the Company entered administration but with a view to it doing so. Confirmation and approval of the costs was obtained from the creditors by a decision by correspondence dated 17 July 2020.

Recipient	Nature of work provided	Amount incurred (£)	Amount paid (£)
Mazars LLP	Advice to the Company and work required to place the Company into Administration. Please see the proposals previously issued to creditors for further information in this respect.	33,077	33,077
Valentine & Co	Advice to the Company and work required to place the Company into Administration. Please see the Proposals previously issued to creditors for further information in this respect.	8,203	8,203
Irwin Michell – Solicitor	Legal Costs and Disbursements for providing advice in relation to insolvency law in respect of the US/Russian/Hong Kong subsidiaries and preparing the necessary paperwork to place the Company into Administration.	26,409	26,409
Total		67,689	67,689

10. Administrators' Remuneration

10.1. A resolution was passed by the creditors via a decision by correspondence on 17 July 2020, enabling the Joint Administrators to draw remuneration on the basis of a fixed fee of £50,000 plus 11% of gross total realisations made in the administration.

10.2. During the period to 10 November 2020 the Administrators have drawn remuneration totalling £557,000.

10.3. We are of the opinion that the fixed fee and percentage fee basis referred to above represents a fair and reasonable reflection of the complexity of the work completed and the further work still to be undertaken during the Administration. Furthermore, the agreed fee basis enables the Administrators to provide some certainty to creditors in respect of costs.

10.4. On the basis that asset realisations currently total £4,698,302, the Administrators are currently approved to draw total fees of £566,813. As detailed above, the Administrators have drawn

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£557,000 to date. The remaining fees will be drawn prior to the Company being placed into Creditors' Voluntary Liquidation, and further fees of £35,420 will be drawn following receipt the deferred consideration, being 11% of £322,000.

- 10.5. Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at Appendix E1.

11. Administrators' Disbursements

- 11.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Joint Administrators or the firm that can be allocated to the case on a proper and reasonable basis).
- 11.2. Category 2 disbursements require approval in the same manner as remuneration, and creditors will recall that a resolution was passed on 17 July 2020 by creditors in agreement of the anticipated Category 2 disbursements of the Joint Administrators.
- 11.3. Further details of the rates agreed were provided within the Rates and Disbursements policy which was provided in the Joint Administrators' proposals on 2 July 2020 and which is available upon request.
- 11.4. Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
<u>Category 1</u>		
Specific bond	It is a legal requirement that I take out a specific bond in respect of the value of the assets. On the basis the assets recovered do not exceed £5m the bond paid to JLT Specialty Ltd was £3,655.	3,655.00
Statutory advertising	Costs are paid to Courts Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment.	94.50
Advertising in respect of sale of business	A marketing exercise was undertaken to assist with the progression of the sale of the business and an advert was placed in various forms to attract a potential purchaser.	85.00
Zoom Membership	Due to the restriction placed upon us by the government due to COVID19, key strategic and operational meetings needed to take place via Zoom and therefore membership costs of £43.17 were incurred.	43.17
Courier	A courier charge was incurred during the period covered by this report in relation to swearing a document and the sum of £20 was incurred.	20.00

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Photocopying and Postage	The sum of £87 was paid to Postworks in respect of sending out our initial notice to creditors following our appointment as Joint Administrators.	87.00
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Total Category 1	3,984.67
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Category 2

Mileage	This expense represents the costs of travelling in respect of the Office Holders' staff in travelling to the site premises to assist with trading the Company.	138.40
Mazars HK	The Hong Kong office of Mazars LLP were instructed with assisting the Joint Administrators in considering the insolvency options available to Supremia Asia Ltd	10,000.00
Mazars Russia	Mazars Russia were instructed with assisting the Joint Administrators in reviewing the financial affairs of Supremia Russia LLC and assessing the likely realisation in a wind down process.	17,099.10
Mazars US	Mazars US were instructed with assisting the Joint Administrators in reviewing the financial affairs of Supremia International Inc. and assessing the likely realisation in a wind down process.	5,000.00

Total Category 2	32,237.50
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Total	36,222.17
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12. Expenses

- 12.1. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix D. This also includes a comparison to the original Expense Estimate.
- 12.2. Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 12.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

13. Creditors' Rights

13.1. Further information

- 13.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Administrators for further information about the remuneration and expenses set out in this progress report.

13.2. Apply to Court

- 13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured

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creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- a. That the remuneration charged by the, or
- b. That the basis fixed for the remuneration, or
- c. That the expenses incurred by the,

is in all of the circumstances, excessive or inappropriate.

13.3. Further guidance

- 13.3.1. Creditors can find additional information on their rights relating to Administrators' fees in a copy of the publication "A creditors guide to Administrators' Fees", which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.

14. Data protection

- 14.1. Where the Administrators hold or require personal data from you we will only do so in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

15. Discharge of liability

- 15.1. Creditors will recall that in accordance with Para 98(2) of Schedule B1 of the Insolvency Act 1986, I previously sought a decision in respect of the Joint Administrators' discharge from liability, which was approved by creditors on 17 July 2020.
- 15.2. Accordingly, this shall commence 14 days after our final progress report has been issued.

16. Ending the Administration

- 16.1. The following matters are preventing the Administration being converted into Creditors' Voluntary Liquidation:
 - a. A distribution to the preferential creditors is to be made prior to the conversion to Liquidation.
 - b. Confirmation will also be required from HMRC from a tax perspective, that they have no objection to the Administration coming to an end.
- 16.2. It is anticipated that the administration will convert to Creditors Voluntary Liquidation within the following three months, assuming there have been no issue in resolving the matters above.

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- 16.3. It was previously proposed that a Creditors Voluntary Liquidation would be the most suitable exit route from Administration as there will be sufficient funds to pay a non-prescribed part dividend to unsecured creditors and this remains the case.



A Harris

Dated 30 November 2020

Joint Administrator

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

*The affairs, business and property of the Company are being managed by the Joint Administrators.
The Joint Administrators act as agents of the Company and without personal liability*

**Supremia International Limited
In Administration**

Identification Details

Details relating to the Company

Company name	Supremia International Limited
Previous names	Supremia Company Limited – 6 May 1981 – 29 October 1993 Supremia International PLC – 29 October 1993 – 20 April 2015
Trading name	As above.
Company number	01559794
Registered office	Tower Bridge House, St Katharine's Way, London, E1W 1DD
Trading address	Caspian House, The Waterfront, Elstree Road, Elstree, Borehamwood, WD6 3BS
Court & Reference	High Court of Justice Business and Property Courts in Birmingham Insolvency and Companies List (CHD) – 000304 of 2020

Details relating to the Joint Administrators

Date of appointment	11 May 2020
Joint Administrators	A Harris, M Pallott & P Lannagan of Mazars LLP and Mark Reynolds of Valentine & Co. IP Nos 15454, 23650, 9590 & 8838
Joint Administrators' functions	All acts required to be done by the Joint Administrators may be done by either or both, acting jointly or alone
Joint Administrators' address	Adam Harris & Michael Pallott – Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD Patrick Lannagan – Mazars LLP, One St Peters Square, Manchester, M2 3DE Mark Reynolds – Valentine & Co – Glade House, 52-54 Carter Lane, London, EC4V 5EF
Appointed by	the members
Joint Administrator's contact	020 7063 4000

Supremia International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/11/2020

S of A £		£	£
	SECURED ASSETS		
	Debtors - US Dollars	206,121.61	
	Debtors - conversion from USD to GBP	(46,953.36)	
	Debtors - Euro	670,098.19	
	Debtors - conversion from EUR to GBP	(58,118.49)	
1,425,120.00	Debtors	893,745.20	
	Investments in Subsidiaries	1,500,000.00	
		<hr/>	3,164,893.15
	COSTS OF REALISATION		
	Invoice Finance Charges EUR	795.32	
	Invoice Finance Charges	1,182.79	
		<hr/>	(1,978.11)
	SECURED CREDITORS		
(322,963.00)	HSBC Invoice Financing	300,419.00	
		<hr/>	(300,419.00)
	ASSET REALISATIONS		
1,019,839.00	Supremia Russia Loan	NIL	
422,413.00	Stock/WIP	444,810.73	
500,000.00	Investments in Subsidiaries	NIL	
10,000.00	Fixtures and Fittings	15,144.00	
101,027.00	VAT and other receivables	NIL	
241,778.00	Cash at Bank - GBP	150,460.28	
	Cash at Bank - USD	135,518.48	
	Cash at Bank - EUR	50,261.82	
	Bank Interest GBP	12.20	
	Bank interest USD	9.98	
	Trading Surplus/(Deficit)	200,796.72	
	Sundry refund	35.00	
	Furlough Funding	107,842.21	
	Cash in Hand	746.76	
		<hr/>	1,105,638.18
	COST OF REALISATIONS		
	Joint Administrators' Fees - Valentines	209,000.00	
	Joint Administrators' Disbs - Valentines	2,170.00	
	Joint Administrators' Fees - Mazars	348,000.00	
	Joint Administrators' Disbs - Mazars	29,052.17	
	Agents Fees - Employee Specialist	1,345.00	
	Joint Admins' Pre-App Costs - Valentines	8,202.50	
	Joint Admins' Pre-App Costs - Mazars	33,077.36	
	Agents Fees - Sanderson Weatherall	6,793.60	
	Legal Fees - US	4,743.87	
	Legal Fees	103,606.79	
	Legal Disbursements	2,797.95	
	Legal Fees - Russia	15,188.28	
	Legal Fees re appointment	976.80	
	Pension Contributions	8,708.59	
	Mazars US Fees	5,000.00	
	Storage Costs	1,670.00	
	Insurance of Assets	1,180.48	

Supremia International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/11/2020

S of A £		£	£
	Furloughed Wages & Salaries	41,210.04	
	PAYE, NIC and other deductions	23,992.99	
	Bank Charges GBP	876.06	
	Bank Charges USD	186.50	
	Bank Charges EURO	16.78	
		<hr/>	(847,795.76)
	PREFERENTIAL CREDITORS		
(32,033.00)	Employees Holiday Pay	NIL	NIL
		<hr/>	
	UNSECURED CREDITORS		
(21,977,383.00)	Trade & Expense Creditors	NIL	
(199,945.00)	Employee and Director Claims	NIL	
		<hr/>	NIL
	DISTRIBUTIONS		
(195,302.00)	Ordinary Shareholders	NIL	NIL
		<hr/>	
<hr/>			<hr/>
(19,007,449.00)			3,120,338.46
	REPRESENTED BY		
	Vat Receivable		156,110.12
	Floating Charge Current		2,665,230.38
	USD Account		42,814.42
	EURO Account		251,181.20
	VAT Payable Fixed		(29,889.00)
	VAT Payable Floating		(106,590.31)
	Company bank account		141,481.65
			<hr/>
			3,120,338.46
			<hr/> <hr/>

Supremia International Limited
(In Administration)
Estimated Outcome Statement

	Notes	11/05/2020 to 10/11/2020	Estimated Future Movements	Estimated Final Outcome
		£		
Assets Subject to Fixed Charge				
Debtors		1,664,893	-	1,664,893
Investments in Subsidiaries - initial payment		1,500,000	-	1,500,000
Investments in Subsidiaries - deferred consideration		-	322,000	322,000
		<u>3,164,893</u>	<u>322,000</u>	<u>3,486,893</u>
Less:				
HSBC Bank Plc		300,419	-	300,419
Invoice Finance Charges		1,978	-	1,978
		<u>2,862,496</u>	<u>322,000</u>	<u>3,184,496</u>
Trading:				
Sales		628,580	-	628,580
Less:				
Purchases		364,261	-	364,261
Wages & PAYE/NI		37,663	-	37,663
IT Services, Accounting and Telephone Expenses		6,468	-	6,468
Consultancy Fees		14,170	-	14,170
Payroll Services		5,221	-	5,221
Trading surplus		<u>200,797</u>	<u>-</u>	<u>200,797</u>
Uncharged Assets				
Stock/WIP		444,811	-	444,811
Fixtures and Fittings		15,144	-	15,144
Cash at Bank - GBP		150,460	Uncertain	150,460
Cash at Bank - USD	1	135,518	Uncertain	135,518
Cash at Bank - EUR	1	50,262	Uncertain	50,262
Bank Interest - GBP		12	-	12
Bank Interest - USD	1	10	Uncertain	10
Sundry Refund		35	-	35
Cash in Hand - Petty cash		747	-	747
Furlough/CJRS refunds		107,842	-	107,842
Insurance Refund		-	Uncertain	Uncertain
VAT refund - pre-appointment		-	Uncertain	Uncertain
Swiss VAT Refund		-	5,770	5,770
Total assets		<u><u>3,968,134</u></u>	<u><u>327,770</u></u>	<u><u>4,295,904</u></u>

Less:

Solicitor Fees - Pre-Appointment Disbs		1,050	-	1,050
Solicitors - Pre-Appointment time		25,359	-	25,359
Solicitor Fees - Post Appointment		98,157	10,000	108,157
Solicitor Disbursements - Post Appointment		2,748	Uncertain	2,748
Agent's Fees - Employee Specialist		1,345	-	1,345
Agent's fee - Pension		-	500	500
Agent's Fees - Asset valuation		1,925	-	1,925
Agent's Disbursements - Asset realisation		4,869	-	4,869
Joint Administrators' Fees		557,000	45,233	602,233
Joint Administrators' Pre-Appt Fee		41,280	-	41,280
Joint Administrators' Disbursements		4,123	-	4,123
Mazars' fees - Other Offices		32,099	-	32,099
Wages		41,210	-	41,210
PAYE/NIC		23,993	-	23,993
Pension contributions		8,709	-	8,709
Accrued holidays	2	-	-	-
Bank Charges - GBP		876	Uncertain	876
Bank Charges - USD	1	187	Uncertain	187
Bank Charges - EUR	1	17	Uncertain	17
Insurance of Assets		1,180	477	1,657
Corporation Tax	3	-	Uncertain	Uncertain
Storage Costs		1,670	Uncertain	1,670
Liquidation costs		-	Uncertain	Uncertain
		<u>(847,796)</u>	<u>(56,210)</u>	<u>(904,006)</u>
Funds available to Preferential creditors		3,120,337	271,560	3,391,898
Employees Holiday Pay	2	-	(34,321)	(34,321)
Funds available to Unsecured Creditors		3,120,337	237,239	3,357,576
Estimated creditor claims	4			22,177,328
Estimated dividend to unsecured creditors (p in £)				15.14

Notes

1. All of these amounts shown currently remain in their respective currencies, prior to being converted once the currency accounts are closed.
2. The employees accrued holidays during the Administration, prior to their redundancy. The amount of £34,321 shown includes these amounts, which will be paid as an expense of the Administration. All holidays accrued prior to the Administration are classed as a preferential claim, however these will also be paid in full.
3. Specialist tax advice will be sought to determine what, if any, corporation tax is payable as an expense of the administration.

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Total estimated expenses (£)
<p>Professional advisors' costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.</p>					
Legal fees and disbursements	<p><u>Pre-Appointment</u> Irwin Mitchell LLP ("IM") were instructed to assist with the preparation of board minutes and statutory paperwork relating to the appointment of the Administrators, filing of documents at Court and serving documents on any relevant parties.</p> <p>Further, detailed advice was provided in relation to the various jurisdictions' international insolvency laws, particularly in relation to the Belgian parent company and the US and Russian Subsidiaries.</p> <p>Pre-appointment costs of £26,409 have been incurred and paid to IM.</p> <p><u>Post-Appointment</u> Post-appointment work undertaken by IM includes:</p> <ul style="list-style-type: none"> • The validity of the security of HIF and HSBC Bank; • Drafting a detailed Share Sale Agreement involving legal complexities in multiple jurisdictions; • Completion of the sale of Supremia US and Russia; • Review of the debtor position, including set-off rights, and counterclaims; • The status of HSBC Hong Kong's claim; • The ability to set off the cross-guarantee debt of HSBC Hong Kong and Supremia Hong Kong's unsecured claim; • The validity of the accession agreement provided by the 	127,643	127,314	10,000	137,314

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	<i>Original Expense Estimate</i> (£)	Incurred in current period (£)	Likely future expenses (£)	Total estimated expenses (£)
	<p>Company to KBC and whether the agreement granted KBC secured creditor status;</p> <ul style="list-style-type: none"> • Employment Rights Act matters; • Dealing with a breach of the NDA by one interested party; and • Providing advice regarding the winding up of the subsidiaries in Hong Kong and Singapore. <p>The sum of £100,905 has been incurred and paid to date. This figure includes the sum of £15,188 and £4,744 which was incurred with dealing with legal matters in Russia and the US respectively.</p> <p>Future costs have been estimated in relation to advice and assistance regarding the deferred consideration and further advice requested in relation to the Hong Kong and Singapore subsidiaries.</p>				
Agent's fees and disbursements	<p>Sanderson Weatherall LLP were instructed to provide a valuation and arrange for the collection and sale of assets.</p> <p>Their fixed fee in respect of attending the site and undertaking a formal valuation was agreed at £1,925 plus VAT and disbursements.</p> <p>Disbursements incurred in relation of the collection and sale of assets amounted to £4,869.</p> <p>Therefore, a sum of £6,794 was paid to Sanderson Weatherall in respect of their costs.</p> <p>This firm of agents was chosen based on their experience in insolvency matters.</p>	4,425	6,794	-	6,794

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Total estimated expenses (£)
Agent's Fees – ERA Specialist	The Administrators instructed Evolve IS to calculate the claims for the 26 employees together with submitting the relevant paperwork to the Redundancy Payments Office and overseeing the claims process. Their fees have been agreed as a fixed fee of £1,345 plus VAT and these have been paid.	1,345	1,345	-	1,345
Payments to associated entities of Mazars LLP					
Mazars LLP – USA	As noted within section 11 of the report, the US, Russia and Hong Kong offices of Mazars LLP were instructed with assisting the Joint Administrators in reviewing the financial affairs of the subsidiaries and assessing any likely realisations. The sums of £5,000, £17,099 and £10,000 has been paid to these respective Mazars offices, totalling £32,099. No further costs are anticipated to be incurred.	31,082	32,099	-	32,099
Trading expenses					
Wages and PAYE/NI	Salary payments were made to the employees assisting with trading the Company prior to them being made redundant. This shows the total wages and PAYE/NI paid to HMRC during the Administration in respect of these employees. The original estimate and further amounts paid are shown below.	See below	37,663	-	37,663
IT Services, Accounting and Telephone Expenses	The sum of £6,430 was paid to MCS Kick & Rush ("MCS") for providing IT and telephone services. This was essential to allow the company to continue trading and to facilitate enhanced debtor recoveries. This also includes the sum of £279 which was paid to SAGE to maintain the accounting software	6,151 279	6,468	-	6,468

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Total estimated expenses (£)
	No further costs are anticipated in this respect.				
Consultancy Fees	Fees were paid to former employees of the Company following their redundancy for assistance with trading sales and debtor collection processes and for advice in relation to certain unsecured claims received.	-	14,170	-	14,170
Payroll Services	The Administrators have paid the total sum of £5,211 to Dub & Co for providing payroll services in respect of staff members employed during the Administration trading period.	5,221	5,221	-	5,221
Other expenses					
Corporation tax	Mazars LLP's tax team are reviewing the Company's tax position and it is likely that Corporation Tax will need to be paid during the Administration period in relation to bank interest accrued and any trading profit.	Uncertain	Uncertain	Uncertain	Uncertain
Pension	Courts Pension Trustees are instructed to deal with the relevant notifications required in respect of the Company pension. Their fee has been estimated at £500 plus VAT.	500	NIL	500	500
Insurance of assets	The assets of the Company are insured under the Insolvency Scheme with JLT Specialty Limited. The amount incurred in the period represents the premium for the period 11 May 2020 to 10 November 2020. Further costs are estimated at £477 in respect of a final period.	1,400	1,180	477	1,657
Wages and PAYE/NI	Furlough payments were made to certain employees prior to their redundancy. A total of £65,203 was paid in respect of wages and PAYE/NI prior to these employees being made redundant.	78,158 23,993	65,203	-	72,009

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	<i>Original Expense Estimate</i>	Incurred in current period	Likely future expenses	Total estimated expenses
		(£)	(£)	(£)	(£)
	This was essential as it allowed the Company to continue to trade and collect debtors.				
Pension Payments	Pension contributions for the period of the Administration totalled £8,709. No further costs are expected in this respect.	8,709	8,709	-	8,709
Bank Charges	The sum of £1,079 has been incurred in respect of international payments made during the trading period. At this stage, this total comprises three currencies. Further bank charges cannot currently be estimated but are expected to be minimal.	1,376	1,079	Uncertain	1,079
Storage Costs	A total of £1,670 has been paid to Any Clearance Ltd for the collection and storage of the records and for preparing an inventory. Further costs are anticipated but cannot currently be estimated.	-	1,670	Uncertain	1,670
Joint Administrators' pre-appointment costs	Pre-appointment costs incurred by the Joint Administrators in advising the Company and assisting with placing the Company into Administration totalled £41,280. No further costs are to be incurred in this respect.	41,228	41,280	-	41,280
Administrators' Remuneration	Management of the Company's affairs in order to achieve the objective of the Administration. Realising and distributing the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements. As detailed in the report and shown on the EOS, the Administrators' fees are based on a fixed fee of £50,000 plus 11% of gross, total asset realisations.	564,281	557,000	45,233	602,233

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	<i>Original Expense Estimate</i> (£)	Incurred in current period (£)	Likely future expenses (£)	Total estimated expenses (£)
Administrators' Disbursements	<p>Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.</p> <p>These total £4,123 plus the amounts paid to the Mazars entities shown above.</p> <p>A further breakdown of the disbursements incurred in the period is provided within Section 11 of the report.</p>	5,462	4,123	-	4,123
Total		901,253*	911,318	56,210	967,528

*My original expense estimate was £905,498, which included cost estimates for Statutory Advertising and Bonding, both of which were incurred as disbursements and are detailed within Section 11 of the report.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE
JOINT ADMINISTRATORS FOR THE PERIOD
11 MAY 2020 TO 10 NOVEMBER 2020**

Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

Work carried out in the current period**Administration and planning**

The Administrators have undertaken the following work:

- Case acceptance and ethical reviews.
- Completing case strategy notes.
- Holding initial and periodic strategy meetings.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- General administrative tasks.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Notifying HM Revenue & Customs ("HMRC") of our appointment and establishing whether they have any outstanding claims or ongoing investigations.
- Reviewing the Company's VAT position.
- Reviewing the Company's Corporation Tax position in accordance with the firm's requirements.
- Detailed investigation by the Mazars tax team into the tax position on the various strategies considered.
- Specific jurisdictional tax advice from Mazars US and Mazars Russia offices.
- Detailed analysis and advice on the tax impact of the sale of the shares in the subsidiaries.
- Liaising with agents re recovery of a Swiss VAT refund.
- Discussing the finalisation of tax matters prior to the conversion to Creditors' Voluntary Liquidation.

The majority of this work derived no financial benefit for creditors. However, it is required in accordance with tax legislation.

Investigations

Further details of the investigation required carried out is provided within Section 8 of the report.

A summary of the work undertaken to date is as follows:

- Investigating the Company's affairs to include a review of the Company's books and records and in particular, the bank statements to identify any potential transactions that were outside the ordinary course of business.
- Statutory investigations pursuant to Statement of Insolvency Practice 2.
- Correspondence with directors regarding the reasons for the Company's failure.
- Reporting to the Insolvency Service on the directors' conduct.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE
JOINT ADMINISTRATORS FOR THE PERIOD
11 MAY 2020 TO 10 NOVEMBER 2020****Realisation of Assets**

The work undertaken in respect of the realisation of the Company's assets is detailed in Sections 3 and 4 of the report.

The main assets comprise book debts, the shares of wholly owned subsidiaries, cash balances and fixture, fittings and computer equipment. As a summary, the following has been carried out in the period:

Book Debts/Stock

- Working alongside the UK's management team to reconcile the debtor position.
- Extensive written and oral communication with debtors regarding payment.
- Negotiations with debtors regarding payment terms and outstanding balances.
- Overseeing retained consultants.
- Producing detailed schedules of debtor collections.
- Extensive Correspondence with HIF regarding recoveries, statements and the transfer of funds to the Liquidation.
- Dealing with ad hoc requests for information from HIF.
- Corresponding in relation to HIF's outstanding balance.
- Arranging payment in respect of stock held to order at the date of appointment.

Wholly owned subsidiaries

- Engaging with local management to understand current financial position.
- Detailed analysis and interrogation of subsidiaries' balance sheets by Mazars Forensic Investigation Services.
- Extensive correspondence with management regarding financial statements.
- Review of detailed cash flow forecasts produced.
- Forensic review of the various inter-company positions.
- Assessment of the solvency of each subsidiary.
- Understanding the possible insolvency processes for Supremia Hong Kong.
- Instructing local Mazars teams to model various wind down scenarios.
- Correspondence with local Mazars teams to interrogate financial statements and wind down valuation.
- Reporting to secured creditors on wind down position.
- Analysis of comparison statements between wind down and share sale.

Marketing and sale of business and assets

- Working with management to prepare an initial business for sale teaser for circulation.
- Targeted and broad marketing campaign of the business and assets.
- Marketing on social media.
- Working with our Mazars Deal Advisory team to market the business.
- Preparation of a Non-Disclosure Agreement.
- Preparation of a detailed Information Memorandum.
- Working with Irwin Mitchell to set up and host a Data Room.
- Extensive correspondence with interested parties.
- Correspondence with subsidiaries.
- Organising a first round of bidding.
- Requests for additional information from subsidiaries.

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 11 MAY 2020 TO 10 NOVEMBER 2020

- Holding numerous virtual meetings with interested parties and subsidiaries to review financial information.
- Corresponding with all interested parties who submitted bids and requesting best and final offers.
- Negotiating with interested parties.
- Accepting final offer and agreeing heads of terms with purchaser and solicitors.
- Instructing solicitors to prepare a share sale agreement.
- Extensive calls and correspondence with Irwin Mitchell to finalise sale agreement.
- Review and agreement of ancillary documents to sale agreement.
- Drafting and redrafting of sale agreement.
- Review of additional documents needed to complete the sale in US.
- Review of additional documents/protocols to complete the sale in Russia.
- Attendance on Notary to finalise ancillary documents.

Cash at Bank

- Liaising with Company's bankers, HSBC, in respect of the cash at bank and arranging initial transfers of Sterling, US Dollar and Euro accounts.
- Further extensive correspondence with the Company's bankers in respect of the residual cash balances.
- Various discussions with HSBC regarding the VAT bond held by the Company

Fixtures, fittings and computer equipment

- Arranging insurance cover over assets and ensuring their security.
- Engaging with agents to attend site and value the chattel assets.
- On-going discussions with agents regarding the sale of the chattel assets via auction.
- Liaising with agents re fees and transfer of auction proceeds to administration account.

Further work has been carried out in order to realise various refunds due to the Company and looking into whether any recoveries will be made in relation to the outstanding intercompany debts.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Trading

The business was traded for a period of nearly 5 weeks in order to complete work in progress, achieve a sale as a going concern and maximise the value of the business.

As noted on the EOS, a trading profit was achieved for the benefit of the creditors.

Work undertaken in respect of this category includes:

- Maintenance of trading premises.
- Cash flow forecasts and financial analysis.
- Overseeing the fulfilment of certain work in progress.
- Negotiation of supplier payment terms.
- Arranging for customers to pay suppliers directly.
- HR/Employee related issues.
- Liaising with employees via meetings, email and telephone.
- Dealing with suppliers and utility companies to arrange Administration costs.
- Payment of staff wages and other costs.
- Liaising with pension provider for submissions.
- Ongoing payment of Administration expenses.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE
JOINT ADMINISTRATORS FOR THE PERIOD
11 MAY 2020 TO 10 NOVEMBER 2020**

- Dealing with ad hoc questions.
- Liaising with landlord in respect of Trading Premises.
- Liaising with agents and lawyers as necessary.
- Liaising with payroll company.
- Submission of furlough applications

The work undertaken has added value for the benefit of creditors by enabling a higher realisation by achieving a sale of the shares of two subsidiaries as a going concern and maximising realisations through the completion of the Company's contracts.

Employees

The Company employed 26 employees. Further information regarding employees' claims is included within Section 6.2 of the report.

Work undertaken in order to ensure that employee claims have been dealt with appropriately includes:

- Working with management to understand which employees had been furloughed.
- Understanding each employee's role in the company.
- Reviewing employment contracts.
- Addressing employees via virtual meeting on day 1.
- Dealing with various employee queries.
- Dealing with one employee and an application to the employment tribunal in respect of an unpaid bonus.
- Instructing Evolve to provide specialist ERA advice.
- Holding virtual meetings with all employees to provide updates on the administration.
- Obtaining legal advice from Irwin Mitchell regarding furlough and redundancy.
- Holding a virtual meeting to formally make all employees redundant.
- Dealing with various redundancy queries from employees.
- Working with Evolve and the Redundancy Payments Service to complete and file RP14 and RP14a forms.
- Settling pension contributions and employee taxes.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, as preferential creditors are to be paid in full, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.

Creditors

There are approximately 51 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Responding to any queries which arise and providing updates as requested from creditors.
- Logging creditor claims.
- Collating information from the Company records to assist with claim adjudication work.
- Seeking further advice from agents and former employees in respect of disputed claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, as it is expected that a dividend will be paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims.

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 11 MAY 2020 TO 10 NOVEMBER 2020

- Reporting to creditors on the appointment of the Administrators.
- Issuing the Administrators' proposals and providing creditors with an explanation on the reasons for the failure of the Company, the progress made during the Administration, the expected outcome and the work to be undertaken in order to achieve the objective of the Administration.
- Reporting on the outcome of the decisions convened.
- Preparation for the Administrators' Progress Report.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work undertaken included:

- Establishing set up of case details on our insolvency software system.
- Setting up bank accounts, including deposit accounts as necessary.
- Extensive bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

- Preparation and lodgement of statutory appointment documents.
- Initial notices and advertisements following appointment.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.