



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**ARIADNE CAPITAL LIMITED  
(IN ADMINISTRATION)**

Registered Number: 04122894

Court Ref: CR-2017-009605

High Court of Justice, Business and Property Courts of England and Wales County Court

**Joint Administrators' Report and Statement of Proposals in accordance  
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of  
the Insolvency (England and Wales) Rules 2016**

**Report date: 29 January 2018**

**Date report deemed to be delivered to creditors: 29 January 2018**

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**Ref: L/31/CEJ/SAR102/1040**

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TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL EMPLOYEES  
ALL MEMBERS

## 1 INTRODUCTION

### General information

- 1.1 I refer to the appointment of A D Cadwallader and I as Joint Administrators ("the Joint Administrators") of Ariadne Capital Limited ("the Company") on 15 December 2017 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the Joint Administrators to perform their functions with the objective of:
- Rescuing the company as a going concern; or
  - Achieving 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); or
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- That the company has sufficient property to enable each creditor of the company to be paid in full; or
  - That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
  - That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors. A distribution is, however, expected to be made to the secured creditor. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
  - A statement of the requesting creditor's claim, together with:
    - A list of the creditors concurring with the request and the amount of their respective claims or values; and
    - Confirmation of concurrence from each creditor concurring. OR
  - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.
- The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case,

notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

**Notice of an Invitation to Creditors to Form a Creditors' Committee**

- 1.7 Although no dividend is expected to be paid to unsecured creditors in this case, creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.8 Attached at Appendix I is Notice of an Invitation to Creditors to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by 7 February 2018 and can only be accepted if the Joint Administrators are satisfied as to the creditor's eligibility under Rule 17.4 of the Rules.
- 1.9 In order to assist them in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>

**2 STATUTORY INFORMATION**

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice, Business and Property Courts of England and Wales County Court under Court reference CR-2017-009605.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from PO Box 42695, London SW5 5BF to 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB on 5 January 2018. The registered number is 04122894. The Company traded as its registered name.
- 2.4 The Company operated from leasehold premises at 3rd Floor, 17-19 Cockspur Street, London SW1Y 5BL although we understand that these premises were vacated in the Summer of 2017 with the employees of the Company working from home after that time.
- 2.5 The Company's sole director is:

<b>Name</b>	<b>Role</b>	<b>Date Appointed</b>
Julie Meyer	Director	7 December 2000

- 2.6 The Company's authorised share capital is £1,000,000. The Company's share register shows that the issued share capital is 589,436 comprising 66,477 ordinary A shares, 1,067 ordinary B shares and 521,892 preference shares. Shares owned by the director are as follows:

<b>Name</b>	<b>Class of Share</b>	<b>No. of Shares</b>	<b>% of Total Owned</b>
Julie Meyer	A	41,745	
Julie Meyer	B	537	
Julie Meyer	Preference	521,892	
		<u>564,174</u>	<u>95%</u>

2.7 According to the information registered at Companies House, the Company has the following registered charges:

<b>Charger</b>	<b>Description</b>	<b>Date Created</b>	<b>Amount Secured and Assets Charged</b>
Julie Meyer	Debenture	10 May 2002	All monies and all assets
Julie Marie Meyer	Debenture	4 June 2001	All monies and all assets

2.8 The EU Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

### **3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

3.1 The Company was incorporated on 7 December 2000 and commenced to trade immediately.

3.2 The Company latterly traded from leasehold premises at 3rd Floor, 17-19 Cockspur Street, London SW1Y 5BL. The principal trading activity of the Company was corporate finance. It was regulated by the Financial Conduct Authority ("FCA").

3.3 The Company was formed by Julie Meyer ("Ms Meyer") to create a group of entrepreneurs providing financial backing to other entrepreneurs. In 2003, the Company became regulated by the FCA and started undertaking corporate finance activities which ultimately became its primary activity. We also understand that at some stage the Company was the investment manager for Ariadne Capital Entrepreneurs (ACE) I LP ("ACE Fund").

3.4 Over the years the Company developed a platform for entrepreneurs, under the EntrepreneurCountry brand. In December 2013 a subsidiary, EntrepreneurCountry Global Limited ("ECG"), was formed to hold this investment.

3.5 In November 2016, the Company's investment in ECG was sold to the ACE Fund for £4.5m. Our investigations regarding this transaction are ongoing.

3.6 Throughout 2017, the Company came under increasing creditor pressure. A winding up petition was filed by a creditor, GQ Employment Law LLP ("GQ"), on 3 November 2017 with a hearing date set for 18 December 2017.

3.7 Leonard Curtis were first approached by the director on 14 November 2017 and were formally instructed to advise the Company in respect of the winding up petition. Leonard Curtis was paid £5,000 plus VAT for these services.

3.8 Negotiations were conducted with representatives of GQ. However, another creditor advised that they would support the petition and the Company was not in a position to meet both liabilities.

3.9 In view of the winding up hearing on 18 December 2017, Andrew Duncan and Alex Cadwallader were appointed as Joint Administrators by Ms Meyer as the holder of a qualifying floating charge on 15 December 2017.

**4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION**

4.1 The Company's trading results for the years ending 31 December 2015 and 2016 are detailed below:

	Unsigned Year ended 31 December 2016 (Restated) £'000	Signed Year ended 31 December 2015 £'000
Turnover	828	1,648
Gross Profit	828	1,648
Gross Profit %	100%	100%
Administrative expenses	(1,238)	(2,017)
Operating Profit/(Loss)	(410)	(369)
Profit on disposal of investments	3,750	753
Amounts written off investments	-	(69)
Interest and charges	(30)	(31)
Profit/(Loss) before tax	3,311	285
Taxation	-	-
Profit for the year	3,311	285
Dividends	-	-
Retained Profit/(Loss)	288	(3,023)

4.2 The balance sheets as at 31 December 2015, 2016 and 31 October 2017 are detailed below:

	Mgmt 31 October 2017 €'000	Signed 31 December 2016 (Restated) £'000	Signed 31 December 2015 £'000
<b>Fixed Assets</b>			
Tangible Assets	6	61	45
Intangible Assets	7	10	14
Investments	3	2	2
	<u>16</u>	<u>73</u>	<u>61</u>
<b>Current Assets</b>			
Stocks	-	-	-
Debtors	3,259	7,132	3,183
Cash	-	22	5
	<u>3,259</u>	<u>7,154</u>	<u>3,188</u>
Creditors: Amounts Falling due within one year	(423)	(2,670)	(2,062)
Net Current Assets/(Liabilities)	<u>2,836</u>	<u>4,484</u>	<u>1,126</u>
Total Assets less Current Liabilities	2,852	4,558	1,187

Creditors: Amounts falling due after more than year	(965)	(222)	(710)
<b>Net Assets</b>	<u>1,887</u>	<u>4,336</u>	<u>477</u>
<b>Represented by</b>			
Called up share capital	675	592	588
Other Reserves	4,270	3,456	2,912
Profit and Loss account	(3,058)	288	(3,023)
<b>Shareholders' Funds</b>	<u>1,887</u>	<u>4,336</u>	<u>477</u>

4.3 Please note that the management accounts are prepared in Euros whereas the filed accounts are prepared in Pound Sterling.

4.4 **Statement of Affairs**

The director is required to lodge a statement of affairs as at 15 December 2017 which has to be filed with the Registrar of Companies. Although the document has not yet been received, I understand that it is in the course of preparation and will be submitted shortly. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made in the estimated financial position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

4.5 **Secured Creditor**

Ms Meyer holds debentures dated 4 June 2001 and 10 May 2002 in respect of loans provided to the Company. We understand that she is currently owed in the region of £550,000 although this figure is subject to final confirmation as part of our ongoing investigations.

4.6 **Prescribed Part**

As the Company has no unsatisfied post-Enterprise Act charges, there will be no requirement to set aside a prescribed part in this case.

4.7 **Preferential Claims**

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. Based on information presently available, it is uncertain if there will be sufficient realisations to enable a dividend to be paid to preferential creditors.

4.8 **Unsecured Claims**

At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix H. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

**4.9 Receipts and Payments**

A receipts and payments account for the period of Administration to date is enclosed at Appendix C. No funds have been received into the Administration to date.

**5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT**

**Employees**

- 5.1 It was apparent that there were insufficient funds available to continue to trade the business and there was no confirmed work in the pipeline, therefore, the Company's employees were made redundant with effect from the date of the Joint Administrators' appointment and the Company ceased to trade.

**Investments**

- 5.2 The Company held various investments in technology companies. Our review of these investments and whether they are of any value is ongoing.

**Debtors**

- 5.3 The Company has a book debt ledger of £97,396. We have been advised that the majority of these debts are very old and likely irrecoverable. We have written to one debtor who owes the Company £36,000 and our review of the remaining ledger is ongoing.

**Investigations**

- 5.4 We have been in correspondence with the director, former employees, creditors and shareholders in order to try and ascertain the asset position of the Company. Various meetings have also been held with some of the aforementioned parties.
- 5.5 As mentioned in paragraph 3 above, in November 2016, the Company entered into two transactions. The first transaction was the sale of ECG to the ACE Fund for £4,500,000. The second transaction was a working capital agreement with Ariadne Capital Group Limited ('ACGL'), a Maltese company and related party. This was done to re-domicile the Ariadne 'group' to enable it to passport into Europe to as a result of the Brexit vote. The Company's accounts show that there is £4,675,669 owed by related parties following these transactions. Our investigations into these transactions are ongoing and it is uncertain at this stage whether there will be any recovery from ACGL. Any recovery from ACGL is clearly pivotal to the outcome of the Administration.
- 5.6 The Joint Administrators have received a large number of complaints regarding the conduct of the director, Julie Meyer. These complaints are the subject of ongoing investigations by the Joint Administrators and we do not propose to comment further on these matters based on legal advice we have received and so not as to prejudice any possible future legal actions.
- 5.7 The efforts of the Joint Administrators have also been frustrated by the delay in obtaining information from the director and in delivering up the Company's books and records. The director has put this down to the Christmas period, illness and IT issues and we have recently received a large amount of the requested information but have not yet had the opportunity to review this in detail.
- 5.8 A key issue is that there are currently no funds in the Administration to meet ongoing costs or future expenses and the Joint Administrators intend to revert to the various interested parties once their investigations have progressed further and if any realistic avenues of recovery have been identified.

## 5.9 Professional Advisors Used

On this assignment the Joint Administrators have used the professional advisors listed below:

Name of Professional Advisor	Service Provided	Basis of Fees
Insol Group	Handling on employee claims	Cost per employee
Clumber Consultancy	Pension advice	Cost per employee
Squire Patton Boggs	Legal advice	Time costs

Insol Group and Clumber Consultancy have been instructed to handle employee claims. It is considered that it is preferable for them to carry out this work as they have increased expertise in this area.

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix G.

## 6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
- (b) achieving 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), or (if (a) and (b) cannot be achieved);
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 The first objective is not capable of being achieved given the extent of historic liabilities and the lack of any funding to effect a rescue.

6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective is also unlikely to be achieved as there is little prospect of a dividend to unsecured creditors.

6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. This objective is likely to be achieved as it is anticipated that there will be a distribution to the secured creditor under her fixed charge.

## 7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.

7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.

7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

7.4 If such a decision is requisitioned, creditors will be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.

7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Rules. Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in paragraph 1.5 above.

7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.

7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into compulsory liquidation.

**8 EXTENSION OF ADMINISTRATION**

8.1 The appointment of the Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of each secured creditor of the Company.

8.3 We do not believe that an extension to the Administration will be necessary in this case.

**9 PRE-ADMINISTRATION COSTS**

9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Liaising with solicitors regarding the appointment and pre-appointment compliance checks.	4,120	Nil	n/a	4,120
Squire Patton Boggs	Preparing the appointment documentation.	2,178	Nil	n/a	2,178
	<b>Total</b>	<b>£6,298</b>			<b>£6,298</b>

9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £4,120 have been incurred which represents 11.9 hours at a rate of £346.22.

9.4 Leonard Curtis were instructed to act as in relation to the appointment of the proposed Joint Administrators and Squire Patton Boggs to assist with placing the Company into Administration on 14 December 2017. The time was incurred pre-appointment to ensure that the Joint Administrators were validly appointed.

9.5 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured creditor to this resolution.

## **10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **10.1 General**

The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

### **10.2 Approval by appropriate body**

The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.

10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured creditor and the outcome will be reported to all creditors in due course.

### **10.4 Information to be given to creditors**

The Joint Administrators wish, in this case, to seek the secured creditor's agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

### **10.5 The Fees Estimate**

The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that the Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £29,447 have been incurred to date which represents 102.1 hours at an average rate of £288.41 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £52,929.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the Administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However, should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to the secured creditor for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix G.
- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:  
<https://www.r3.org.uk/what-we-do/publications/professional/fees>  
If you would prefer this to be sent to you in hard copy please email [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) or contact Charlotte John of this office on 020 7535 7000.

**10.10 Statement of Likely Expenses**

The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured creditor in the same way as fees and the secured creditor will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix G.

**10.11 Further Updates**

The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

**11 ESTIMATED OUTCOME FOR CREDITORS**

- 11.1 Based on information presently available, the outcome for creditors is uncertain and it is not practicable to provide any meaningful estimate. At this stage however it is not anticipated that there will be sufficient realisations to enable a dividend to be paid to preferential or unsecured creditors. The outcome may change dependent on the outcome of our investigations into the related party transactions and recovery from related party debtors.
- 11.2 It is anticipated that there will be a distribution to the secured creditor under her debenture, however, the quantum of any distribution(s) is uncertain at this stage.

**12 RELEASE OF JOINT ADMINISTRATORS FROM LIABILITY**

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is registered.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured creditor. The appropriate class of creditor will be contacted directly in this respect.

**13 CONCLUSION**

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be notified of the outcome of the Deemed Consent procedure in due course.

Should you have any queries or require any further clarification please contact Charlotte John at my office, **in writing**. Electronic communications should also include a full postal address.

for and on behalf of  
**ARIADNE CAPITAL LIMITED**



**A J DUNCAN**  
**JOINT ADMINISTRATOR**

A J Duncan is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9319 and A D Cadwallader is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9501

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

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that A J Duncan and/or A D Cadwallader be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that A J Duncan and/or A D Cadwallader be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they considers desirable or expedient to achieve the statutory purpose of the Administration.

ESTIMATED FINANCIAL POSITION AS AT 15 DECEMBER 2017

## A – Summary of Assets

Assets	Notes	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>			
Intangible Assets	1	5,794	-
Investments	2	2,528	-
Less:			
Julie Meyer	3	(550,000)	(550,000)
Surplus/(Shortfall) as regards Fixed Charge Creditor		(541,678)	(550,000)
<b>Assets subject to floating charge:</b>			
Tangible Assets	4	6,609	-
Trade Debtors	5	97,396	36,000
Prepayments	6	58,862	-
Accrued Income	7	25,000	-
Related Party Debtors	8	4,675,669	Uncertain
<b>Uncharged Assets</b>			
<b>Estimated total assets available for preferential creditors</b>			
		4,863,536	36,000

## Estimated Financial Position as at 15 December 2017 (cont/d)

## A1 – Summary of Liabilities

	Notes	£	Estimated to Realise £
<b>Estimated total assets available for preferential creditors (carried from page A)</b>			36,000
<b>Liabilities</b>			
Preferential creditors:- Employee Wages and Holiday Pay	9		21,797
<b>Estimated deficiency as regards preferential creditors</b>			14,203
Estimated prescribed part of net property where applicable (to carry forward)	10		0
<b>Estimated total assets available for floating charge holders</b>			14,203
Julie Meyer	11		550,000
<b>Estimated surplus/(shortfall) of assets after floating charges</b>			(535,797)
Estimated prescribed part of net property where applicable (b/down)			0
<b>Total assets available to unsecured creditors</b>			0
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade Creditors (per attached schedule)	12	794,897	
HM Revenue & Customs - VAT	13	0	
HM Revenue & Customs - PAYE/NI	14	471,089	
Employees (14 current and former employees)	15	530,692	
Consumer Creditors (None)	16	0	
Barclays Bank Plc	17	172,193	
Shareholder loan account	18	210,254	2,179,124
<b>Estimated deficiency as regards non-preferential creditors</b>			(2,179,124)
(Floating Charge Shortfall)			(535,797)
<b>Estimated total deficiency as regards creditors</b>		£	(2,714,921)
Issued and called up capital	19	591,889	
Share Premium Account	19	3,455,794	4,047,683
<b>Estimated total deficiency as regards members</b>		£	(6,762,604)

**Ariadne Capital Limited**

**agreements and creditors claiming retention of title over property in the company's possession. Separate schedules must be prepared for creditors who are employees or former employees of the company or consumers claiming amounts paid**

Name of Creditor or Claimant	Address --			Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
<b>Trade and Expense Creditors</b>							
AC Tischendorf Rechtsanwälte	Zeppelinallee 77	60487 Frankfurt	Germany				3,470.44
Addison Lee	35 - 37 William Road	London		NW1 3ER			7,529.65
Arnold Porter Kaye Scholer LLP	Tower 42	25 Old Broad Street	London	EC2N 1HQ			12,500.00
Berkeley Catering Limited	Unit 5 Glengall Business Centre	43 - 47 Glengall Road	London	SE15 6NJ			2,007.30
City Of Westminster	Westminster City Hall	64 Victoria Street	London	SW1E 6QP			5,270.00
Clifford Chance LLP	10 Upper Bank Street	London		E14 5JJ			184,359.59
CoSec Compliance	Swiss Farm Cottage	Marlow Road	Henley-on-Thames	RG9 2HZ			146,863.00
Crowell & Moring	11 Pilgrim Street	London		EC4V 6RN			77,048.31
Danneman Siemen Bigler & Ipanema Moreira	Rue Marques de Olinda	70 22251-640	Rio de Janeiro	Brazil			3,139.51
DAS LAW	North Quay	Temple Back	Bristol	BS1 6FL			3,267.40
EDF Energy	Payment Processing Centre	PO Box 140	Plymouth	PL3 5RG			2,581.81
Execute Today Ltd	189 Ashley Park Avenue	Walton on Thames		KT12 1ET			68,884.00
Fletcher Day	56 Conduit Street	Mayfair	London	W1S 2YZ			11,170.48
GQ Employment Law LLP	21 Ironmonger Lane	London		EC2V 8EY			130,000.00
i.visory (Thomas Peyerl)	Sudetenstrasse 4	65385 Rudesheim am Rhein	Germany				12,896.04
Kehinde Sobowale	Flat 11	Watergate House	Woolwich	London	SE18 5RP		1,500.00
Kingston Smith	Devonshire House	60 Goswell Road	London	EC1M 7AD			2,633.00
Lion Partners Limited	Room 1201, Allied Kajima Building	138 Gloucester Road	Wanchai	Hong Kong			3,486.60
Memery Crystal	44 Southampton Buildings	London		WC2A 1AP			30,770.20
Northumberland Events Limited	8 Northumberland Avenue	London		WC2N 7BN			12,627.00
Osbourne Clarke	2 Temple Back East	Temple Quay	Bristol	BS16EG			3,415.35
Regus Virtual (Avanta Virtual)	1 Lyric Square	London		W6 0NB			8,396.74
Sheridans	76 Wardour Street	London		W1F 0UR			2,693.20
Smarter Decisions (Kevin Telford)	71-75 Shelton Street	Covent Garden	London	EC2R 6AY			6,300.00
SorokerAgmon Nordman	8 Hahoshlim Street	POB 12425	Herzliya 4672408	Israel			6,122.68
Striker Productions Ltd	228A High Street	Bromley	Kent	BR1 1PQ			19,024.00
Stuart Poyser	102 Berkeley Tower	48 Westferry Circus	London	E14 8RP			21,000.00
Timico	Beacon Hill Park	Newark	Nottinghamshire	NG24 2TN			1,172.74
Tomavi Technology Ltd	29 Hartfield Road	London		SW19 3SG			1,000.00
West UC Limited	Unit 1 Saw Mill End	Barnwood	Gloucester	GL4 3DL			1,329.52

**Ariadne Capital Limited**

**agreements and creditors claiming retention of title over property in the company's possession. Separate schedules must be prepared for creditors who are employees or former employees of the company or consumers claiming amounts paid**

Name of Creditor or Claimant	Address --				Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security	
White & Case LLP	5 Old Broad Street	London		EC2N 1DW	2,438.40	None			
					<hr/>				
					794,896.96				
					<hr/>				
<b>Other Unsecured Creditors</b>									
HM Revenue & Customs - VAT	Insolvency Operations	1st Floor	Queens Dock	Liverpool	L74 4AG	-	None		
HM Revenue & Customs - PAYE/NI	Debt Management Enforcement	Barrington Road	Worthing	West Sussex	BN12 4SE	471,089.00	None		
Employees - 14 current and former	Various					530,691.55	None		
Consumer Creditors (Nil)						-	None		
Barclays Bank PLC	Level 3	One Snowhill	Snow Hill	Queensway	Birmingham	B4 6GN	172,192.70		
Nigel Burton	Minerva House	6 Bromsbury Square	London			N1 1JL	210,253.93		
						<hr/>			
						1,384,227.18			
						<hr/>			
<b>Total Unsecured Creditors</b>						2,179,124.14			
						<hr/> <hr/>			
<b>Preferential Creditors</b>									
Employees - Wages and Holiday Pay	Various					21,797.48	None		
<b>Secured Creditor</b>									
Julie Meyer	Flat 10	26-28 Courtfield Gardens	London		SW5 0PH		Debenture	04/06/2001	All monies, all assets
Julie Meyer	Flat 10	26-28 Courtfield Gardens	London		SW5 0PH	550,000.00	Debenture	10/05/2002	All monies, all assets

**Ariadne Capital Limited**

Name of Creditor or Claimant	Address --				Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
<b>Employees</b>								
Adele Briastre	Flat 1 212a Fulham Road	London		SW10 9PJ	2,640.56	None		
Amit Khanna	Flat 2	206 Ladbroke Grove	London	W10 5LU	16,664.60	None		
Amit Pau	Ashirwad Valency Drive	Northwood	Middlesex	HA6 3BF	269,431.00	None		
Annemarie Dalka	4/5 Colville Terrace	London		W11 2BE	16,352.73	None		
Elise Betrisey	Flat 5 Pellow House	Somerfield Street	London	E1 5DX	5,283.21	None		
Ian Findlay	6 Cheyham Way	Sutton	Surrey	SM2 7HX	83,571.80	None		
Juan Carlos Madrigal	20 Devonshire Terrace	Lancaster Gate	London	W2 3DW	10,815.89	None		
Julie Beadle	17 Gardner Avenue	Coringham	Essex	SS17 7SE	14,166.04	None		
Katarzyna Bystryk	59 Lausanne Road	London		N8 0HJ	975.52	None		
Keti Parapani	10 Georges Road	London		N7 8HA	2,658.96	None		
Manisha Vara	468 Honeypot Lane	Stanmore	Middlesex	HA7 1AR	5,597.97	None		
Nikos Delitsikas	48 Borough Road	London		SE1 0AJ	3,994.23	None		
Peter Walliker	101 Barclay Road	London		E17 9JL	2,485.00	None		
Steve Piper	12 Waterside Lane	Gillingham	Kent	ME7 2JA	96,054.04	None		
					<hr/>			
					530,691.55			
					<hr/> <hr/>			

Ariadne Capital Limited

Name of Creditor or Claimant	Address --	Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
<b>Consumer Creditors</b>					
None					
Total		<hr/> <hr/> <hr/>			

## NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information. It should be noted that no provision has been made for the costs and expenses of the Administration.

### 1. Intangible Assets

We understand that the intangibles assets relate to investment into the Company's website. We have been advised that the ownership of the Company's website was transferred to a related party, therefore, no value has been assumed.

### 2. Investments

The Company held investments in 24 early stage technology companies. The investments have limited value and we have been advised that the majority of the investments have been written off. We will be reviewing these investments as part of our ongoing investigations.

### 3. Fixed Charge Holder – Julie Meyer

Julie Meyer holds two debentures dated 4 June 2001 and 10 May 2002.

### 4. Tangible Assets

This comprises computer equipment and office furniture. As the Company had vacated their offices, we believe that the tangible assets are located in various locations and it is therefore unlikely to be economical to uplift and realise these assets.

### 5. Trade Debtors

The Company's accounts show debtors with a book value of £97,396. We are advised that one debtor is collectable but the remaining debtors are irrecoverable. Our recovery efforts are ongoing.

### 6. Prepayments

The prepayments of £58,862 are considered to be irrecoverable.

### 7. Accrued Income

It is uncertain what the accrued income relates to and we have assumed for the purposes of preparing the estimated financial position that there will not be any recovery.

### 8. Related Party Debtors

Management accounts show £4,675,669 as being owed by related parties. We are in the process of reviewing this position and possible recovery action.

### 9. Preferential Creditors

There were 14 current and former employees at the date of Administration. They have preferential claims for unpaid wages up to a maximum of £800 and any outstanding holiday pay.

**10. Prescribed Part**

The prescribed part will not apply as there are no floating charges dated post 15 September 2003.

**11. Floating Charge Holder – Julie Meyer**

Julie Meyer holds two debentures dated 4 June 2001 and 10 May 2002.

**12. Trade and Expense Creditors**

Details of the Company's trade and expense creditors have been extracted from the Company's books and records as provided by the Company. A detailed list is appended to the estimated financial position.

**13. HM Revenue & Customs – VAT**

Based on information received to date, we do not believe that HM Revenue & Customs ("HMRC") have a claim for VAT.

**14. HM Revenue & Customs – PAYE / NI**

This figure is per the Company's Sage records. HMRC have submitted a provisional claim of £84,339.96 which will be verified in due course should an unsecured dividend be anticipated.

**15. Employees**

Employee claims include unpaid wages, notice pay and redundancy pay for five employees who were made redundant as a result of the Administration. There are additional unpaid wages and holiday pay for nine former employees.

**16. Consumer Creditors**

We are not aware of any consumer creditors.

**17. Barclays Bank Plc**

The Company had an unsecured loan from Barclays Bank Plc. We understand that Ms Meyer has personally guaranteed this loan.

**18. Shareholder Loan Account**

The Company received a loan from one of its shareholders.

**19. Issue Share Capital and Share Premium Account**

These are per the management accounts.

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM  
15 DECEMBER 2017 TO 29 January 2018

	Statement of Affairs £	Received to date £
<b>RECEIPTS</b>		
None		-
		<hr/>
		-
		<hr/>
<b>PAYMENTS</b>		
None		-
		<hr/>
		-
		<hr/>
<b>BALANCE IN HAND</b>		-
		<hr/> <hr/>

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Director		Administrator 1		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Preparation of documents	-	-	35	910.00	19	285.00	54	1,195.00	221.30
Strategy & Purpose	65	2,925.00	-	-	-	-	35	1,575.00	450.00
Total	65	2,925.00	35	910.00	19	285.00	119	4,120.00	
Average Hourly Rate (£)		450.00		260.00		150.00		346.22	

All Units are 6 minutes

**DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS**

**Preparation of Documents**

- Time was spent setting up the case file to include completing the necessary conflict and ethical reviews, money laundering compliance and file set up in anticipation of the appointment of Joint Administrators.

**Strategy and Purpose**

- Time was spent liaising with the director and charge holder and the Company's legal representatives regarding the strategy for the Joint Administrators' appointment.

## JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	Fees Estimate		Incurred to Date		Average Hourly Rate £
	Units	Cost £	Units	Cost £	
Statutory & Review	81	2,536.50	21	567.00	270.00
Receipts & Payments	10	205.00	-	-	-
Insurance	41	1,081.00	35	925.00	264.29
Assets	90	2,740.00	26	771.00	296.54
Liabilities	335	9,495.00	232	6,621.00	285.39
Debenture Holder	30	1,160.00	10	450.00	450.00
General Administration	185	4,425.00	155	3,722.00	240.13
Appointment	124	3,452.00	124	3,452.00	278.39
Post Appointment Creditor Reporting	255	7,235.00	50	1,300.00	260.00
Investigations	630	20,600.00	368	11,639.00	316.28
<b>Total</b>	<b>1,781</b>	<b>52,929.50</b>	<b>1,021</b>	<b>29,447.00</b>	
<b>Average Hourly Rate (£)</b>		<b>297.19</b>		<b>288.41</b>	
<b>All Units are 6 minutes</b>					

## JOINT ADMINISTRATORS' FEES ESTIMATE

### DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

#### Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve regular team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out six monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting. Due to complexities associated with the case, it is anticipated that there will be significant director involvement in the case, mainly associated by an Administrator 1.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors Disqualification Act 1986 ("CDDA") to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of director's statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

#### Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts. As there is a secured creditor holding fixed and floating charges there will be two bank accounts;
- Management of case bank accounts to ensure compliance with relevant risk management procedures;
- Regular review of case bank accounts by senior member of staff to ensure that fixed and floating charge assets have been properly identified;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. It is anticipated that there will be three period receipts and payments account prepared;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date, the two case accounts have been opened but there have not been any receipts or payments to date.

## **Insurance, Bonding and Pensions**

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.
- Liaising with pension companies to arrange for prompt wind up of schemes.

To date, time has been spent calculating and arranging the Joint Administrators' bond. Further time has been spent making the statutory notifications under s22 and s120 of the pensions legislations regarding the Company's pension scheme held with NEST. We have also instructed Clumber Consultancy to assist with making a claim to the Redundancy Payments Service for unpaid pension contributions.

## **Assets**

- Agreeing strategy for realisation of Company assets. We are still reviewing the Company's asset position therefore this work is ongoing;
- Instruction of and liaising with agents as required;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Identification and return of third party assets;
- Identification and dealing with any assets subject to retention of title. To date, we are not aware of any retention of title claims.

## **Liabilities**

This category of time includes both statutory and non-statutory matters.

### *Statutory*

- Processing of claims from the Company's creditors. The Company's records showed that there are 36 creditors. However, we have received further claims, which are being reviewed on receipt. As it is uncertain whether there will be a dividend to unsecured creditors, claims are being logged at this stage. If it becomes apparent that there will be a distribution to unsecured creditors, time will be spent formally agreeing claims.
- Processing of claims from the Company's employees. The Company had five employees as at the date of our appointment. However, there are also arrears owed to former employees. Time has been spent liaising with our appointed agents, Insol Group, regarding the processing of these claims; and
- Preparation, review and submission of pre-appointment tax and VAT returns.

*Non-statutory*

- Dealing with enquiries from the Company's creditors. We have received various enquiries from creditors.
- Dealing with enquiries from the Company's employees. We have received various enquiries from the former employees.

**Landlords**

- As the Company does not have a lease in place, it is not anticipated that any time will be incurred in this area.

**Trading**

- The Company did not trade in the Administration therefore no time has or will be incurred in this area.

**General Administration**

- General planning matters;
- Setting up and maintaining the Joint Administrators' records;
- Arranging collection and storage of company records. We are in receipt of the Company's Sage records and will soon be collecting the Company's books and records which we understand are held at 2 locations;
- Time has been and will be spent corresponding with representatives of the Company's IT services to obtain a back-up of the Company's electronic records; and
- Dealing with general correspondence and communicating with the director and shareholders. Significant time has already been incurred in this area as we have been in correspondence with the director regarding the provision of information.

**Appointment**

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

**Post Appointment Creditor Reporting**

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016; and
- Agreeing basis of remuneration and Fees Estimate with appropriate body of creditors;
- Reporting on outcome of Deemed Consent procedure; and
- Preparation of periodic progress reports to creditors.

**Investigations**

- Collecting and reviewing the Company's records. Time has been spent corresponding with the director regarding the books and records. Whilst we are in receipt of the Sage back-up, we are still in correspondence with the director regarding the collection of the books and records, including the electronic records.
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the CDDA. Whilst the work completed in this area may not have any effect on the outcome for creditors, this is a statutory requirement.
- Time has been spent reviewing the information received in order to try and ascertain the asset position of the Company.
- Meetings have also been held with the director, former employees and a shareholder to assist with the ongoing investigations.

## JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

## Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	5.00
Bond Fee	Insurance bond	1,200.00
Company Searches	Extraction of company information from Companies House	-
Document Hosting	Hosting of documents for creditors	28.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	83.02
Storage Costs	Storage of books and records	500.00
Post redirection	Redirection of post	-
	<b>Total standard expenses</b>	<b>1,903.02</b>

## Case Specific Expenses

Type	Description	Amount £
Legal Fees	Costs of appointed solicitors	Uncertain
Photocopying	Category 2 disbursement requiring specific creditor / committee approval	50.00
ERA Advice	Costs of Insol Group to assist with processing employee claims	800.00
Pension Agents	Costs of Clumber Consultancy to assist with processing employee pension claims	900.00
	<b>Total case specific expenses</b>	<b>1,750.00</b>

**LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below. The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Expenses**

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual
Bond / Bordereau fee	insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service

Document hosting	Hosting of documents for creditors	<b>Type</b>	<b>100 creds</b>	<b>Every addtl 10</b>
		ADM	£14.00	£1.40
		CVL	£7.00	£0.70
		MVL	£7.00	£0.70
		CPL	£7.00	£0.70
		CVA	£10.00	£1.00
		BKY	£10.00	£1.00
IVA	£10 p.a. or £25 for life of case			
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00		
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case		
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication		
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges		

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

**Proof of Debt – General Form**

Relevant date:

Name of Company in Administration:

Ariadne Capital Limited

Company registered number:

04122894

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

**Ariadne Capital Limited - In Administration**

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7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

## Notice of an Invitation to Creditors to Form a Creditors' Committee

In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES COUNTY COURT	No:	CR-2017-009605
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Re:	ARIADNE CAPITAL LIMITED (IN ADMINISTRATION)
Previous Name:	
Registered No:	04122894

Address of Company	3RD FLOOR, 17-19 COCKSPUR STREET, LONDON SW1Y 5BL
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NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether to form a creditors' committee should be established if sufficient creditors are willing to be members of that committee. A J Duncan and A D Cadwallader invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by: **7 February 2018**  
and should be delivered to: **A J Duncan and A D Cadwallader**  
**5<sup>th</sup> Floor**  
**Grove House**  
**248a Marylebone Road**  
**London**  
**NW1 6BB**  
**Tel: 020 7535 7000**  
**Email:recovery@leonardcurtis.co.uk**

Signed:		Dated:	
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Creditors are referred to section 1.9 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.