



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

1 Company details

Company number 0 9 0 4 2 8 1 1

Company name in full LIFX UK LTD

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Christopher Jon

Surname Bennett

3 Administrator's address

Building name/number 200 Aldersgate

Street Aldersgate Street

Post town London

County/Region Greater London

Postcode E C 1 A 4 H D

Country United Kingdom

4 Administrator's name ¹

Full forename(s) Matthew Boyd

Surname Callaghan

1 Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ²

Building name/number 200 Aldersgate

Street Aldersgate Street

Post town London

County/Region Greater London

Postcode E C 1 A 4 H D

Country United Kingdom

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 7	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
To date	^d 1	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 5	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name Calvin Hung

Company name FTI Consulting

Address 200 Aldersgate

Post town London

County/Region Greater London

Postcode EC1A 4HD

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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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
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Samuel Alexander
Surname	Ballinger

3 Insolvency practitioner's address

Building name/number	200 Aldersgate
Street	Aldersgate Street
Post town	London
County/Region	Greater London
Postcode	E C 1 A 4 H D
Country	United Kingdom



To all known creditors

Joint Administrators' Second Progress Report

For the period from 17 February 2023 to 16 August 2023

LIFX UK Limited (Company Number 09042811)

Report pursuant to Rule 18.6 of the Insolvency (England and Wales) Rules 2016

Contents

Purpose of this report	4
Progress of the Administration	6
Estimated Outcomes for Creditors	12
Appendices	15

Glossary

Abbreviation	Definition
APA	Asset Purchase Agreement
ASX	Australian Securities Exchange
BEIS	Department for Business, Energy and Industrial Strategy
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
COMI	Centre of Main Interest
CT	Corporation Tax
CVL	Creditor's Voluntary Liquidation
DLA	DLA Piper UK LLP
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
FTI / FTI UK	FTI Consulting LLP
HMRC	HM Revenue & Customs
IA86 / the Act	Insolvency Act 1986 (as amended)
ICAEW	Institute of Chartered Accountants in England & Wales
IR16	Insolvency (England and Wales) Rules 2016 (as amended)
PAYE	Pay-as-you-earn tax
Sch B1 IA86	Schedule B1 to the Act
SIP	Statement of Insolvency Practice
SIP 2	Investigations by office holders in administration and insolvent liquidations
SIP 7	Presentation of financial information in insolvency proceedings
SIP 9	Payments to insolvency office holders and their associates from an estate
SIP 13	Disposal of assets to connected parties in an insolvency process
QFCH	Qualifying Floating Charge Holder
WEEE	Waste Electrical and Electronic Equipment

Term	Meaning
Administration	The Administration of LIFX UK Limited
Appointment Date	17 August 2022
BTL / Buddy Technologies	Buddy Technologies Limited, a company registered in Australia, listed on the Australian Stock Exchange and the ultimate parent company of the Group
Administrators / Joint Administrators / we / our / us /	Samuel Alexander Ballinger, Christopher Jon Bennett and Matthew Boyd Callaghan
Clever House / Purchaser	Clever House Pty Limited, an Australian based company who purchased the Company's inventory
Feit / Feit Electric	Feit Electric Company Inc., a company registered in the US who purchased the majority of the Group (excluding LIFX UK Limited)
the Company	LIFX UK Limited
the Group	Buddy Technologies Limited and all its subsidiaries
the Period	From 17 February 2023 to 16 August 2023
Lender / Secured Lender / PFG / Secured Creditor	Partners for Growth VI L.P. Secured creditors have security in respect of their debt in accordance with Section 248 IA86
Preferential Creditors	First ranking: Principally any employee claims for unpaid wages (up to £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect to certain specified debts.
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86.
Proposals	The Joint Administrators' Statement of Proposals dated 10 October 2022
Secured Debt	Debt detailed under the 'Loan and Security Agreement between various LIFX/Buddy entities and PFG, totalling USD\$12,541,634 at the Appointment Date, to which the Company is guarantor
Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.



Purpose of this report

Purpose of this report

- Samuel Alexander Ballinger, Matthew Boyd Callaghan, and Christopher Jon Bennett were appointed as joint administrators of the Company on 17 August 2022.
- Pursuant to Rule 18.6 IR16, we are required to provide creditors with a report setting out what has happened in the Administration during the six-month period since our previous report.
- This report covers the period from 17 February 2023 to 16 August 2023 and contains:
 - An explanation of the work we have done in the Period and how the Administration has progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to do before the Administration can be concluded;
 - A statement of our receipts and payments and details of expenses we have incurred;
 - An update on our remuneration for acting as joint administrators; and
 - Further information required by statute regarding our appointment as administrators.
- Background information on the Company and events leading up to the Administration can be found in our Proposals, which continue to be available online (see How to Contact Us).
- If you are unfamiliar with insolvency, we have included as an appendix a brief overview that you may wish to read before continuing to read this report.
- Certain legal notices regarding this report, our appointment and creditors' rights are also included as an appendix.
- If you have any questions regarding this report or the Administration generally, please contact us.



.....
Christopher Jon Bennett
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) IA86. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: LIFXUK@fticonsulting.com
Post: The Joint Administrators of LIFX UK Limited
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD
Tel: +44(0) 2030 770 559
- Previous documents and further information can be found online at: <https://www.fticonsulting.com/emea/cip/lifx-uk-limited>

Actions Required by Creditors

- There are no actions required by creditors. This report is for information purposes only.



Progress of the Administration

Recap on the Administration

The key outstanding matters at time of issuing our last report were in relation to tax, distributions to creditors, and winding down the Company's affairs.

Previously in the Administration

- A background on the Company and the events leading up to the appointment of administrators were included in our Proposals and are not repeated here for the purposes of this report unless considered necessary or beneficial to do so. Similarly, progress during the first six months of the Administration can be found in our previous progress report dated 15 March 2023.
- Therefore, creditors may wish to refer back to these previous reports in conjunction with reading this report. All reports made available for creditors to view and download are available on the website referred to earlier, and will continue to be available until two months after the end of the Administration.
- On this page we provide a brief reminder of our work in the Administration (and how it progressed) during the first six months of the Administration.

Realising the assets

- A key asset at the time of our appointment was the Company's cash at bank. This was recovered shortly after our appointment in the sum of £122k.
- In November 2022, we completed a sale of the Company's inventory (based in the Czech Republic) to Clever House. The non-cash consideration for the Transaction was ultimately a discharge of debt of £119,436. At the time of our previous report, some £100k had been determined to be non-cash and the balance was still subject to agreement at that time.
- We explained the rationale for the non-cash consideration and how the ring-fenced prescribed part fund would be available for unsecured creditors. We also provided creditors with the justification of why a sale to a connected party was undertaken.
- Other realisations were limited to a small recovery of £5k from the Company's receivables. No offers were received for inventory based in the UK, and it was not economical to pursue its sale given the smaller quantity and absence of ongoing product support.
- We did not consider there to be any further material assets to realise in the Administration.

Dealing with creditors

- We set up a dedicated email address and helpline number in order for creditors to contact us and enable them to lodge a proof of debt. Queries received from creditors (including a number of consumer creditors) were responded to as appropriate and on a timely basis.
- We kept the Secured Creditor updated on relevant matters of interest, as required in the circumstances of the case.
- At the time of issuing our previous report, the main outstanding matter was in relation to the distribution of the Prescribed Part. This included issuing the relevant notices, the adjudication of claims, as well as making the payment to creditors. An update on this is provided in this report.
- We also liaised with HMRC regarding any potential preferential claim in the Administration, which included issuing the relevant statutory notices. In the Period, we received confirmation from HMRC that they have no preferential claim.

Managing the Company's affairs

- We reviewed the position with respect to VAT and corporation tax and assessed the Company's filing obligations on these matters.
- We were unable to submit any VAT returns due to delays with HMRC processing the notice of our appointment. We gathered information from relevant and available sources in order to prepare submissions for all unfiled CT returns relating to the pre-Administration period. An update on these matters is set out later.

Fulfilling our statutory duties

- We completed and submitted our initial assessment regarding the Company's affairs and conduct of the directors. We also fulfilled all other statutory and regulatory obligations arising as a result of our appointment as joint administrators.

Realising the Assets

Realisations in the Period principally relate to the final payment for the Company’s Czech Republic inventory and a pre-appointment VAT refund from HMRC. No material further realisations are expected.

<p>Sale of inventory</p>	<ul style="list-style-type: none"> ■ As explained in previous last report, we undertook a sale for the Company’s Czech Republic inventory for £119,436. Details of this sale were provided in our previous report and are not repeated here. ■ The non-cash sale consideration was received as follows and as shown on the enclosed receipts and payments account: <ul style="list-style-type: none"> — On 10 November 2022 (the sale date), by a waiver, release and a discharge of £100,000 relating to the Company’s liability to the Secured Creditor; and — On 31 March 2023, deferred consideration of £19,436 in the form of an additional waiver, release and discharge of the Company’s liability to the Secured Creditor. ■ Assets excluded from the transaction principally relate to the Company’s UK inventory, which has not been subject to any sale, as mentioned earlier.
<p>Tax deposit and VAT</p>	<ul style="list-style-type: none"> ■ We have drafted and submitted the Company’s outstanding pre-appointment CT and VAT returns to HMRC. ■ There was no pre-appointment CT due to HMRC or any recoverable amounts. However, we have recovered £11,774 from HMRC in respect to pre-appointment VAT. ■ As explained in our previous report, on appointment we were advised that there was a tax deposit of £17,659 held by a third party company in the Netherlands that was responsible for submitting EU tax returns on behalf of the Company. There has been no change in the Period, and we continue to be of the view that there appears to be no benefit for creditors in pursuing its recovery as this would add to the costs of the Administration and potentially adversely impact creditors, but we will continue to monitor the position.
<p>Other assets</p>	<ul style="list-style-type: none"> ■ No other assets are expected to be realised in the Administration.

Dealing with Stakeholders and Creditors

HMRC has confirmed it has no preferential claim against the Company. We have continued to answer queries from unsecured creditors and we are preparing to distribute the Prescribed Part fund.

- We set out below the work done in the Period relating to each class of creditor and other stakeholders.
- The current estimates for amounts owed to the various classes of creditors, the anticipated recovery in each case and (where appropriate) the likely timing of distributions; are set out later in this report.

Secured Creditor

- We have continued to correspond with the Secured Creditor on a regular basis and they have been updated on matters of the Administration that are of interest to them.
- We have also asked the Secured Creditor to determine the time when our discharge from liability will have effect once the Administration is concluded. On 26 July 2023, the Secured Creditor agreed that discharge will take effect at the time our appointment ceases to have effect.

Preferential creditors

- Preferential creditors are described in the highlighted box opposite.
- In our previous report, we stated that the Company did not have any employees, nor did it owe any debts to HMRC.
- During the Period and based on further information, we formed the view that HMRC may have had a preferential claim for pre-appointment VAT. We corresponded with HMRC and issued a statutory notice setting a deadline for any preferential claims to be submitted.
- HMRC subsequently confirmed that it did not have a preferential claim and as such there are no preferential creditors in the Administration and no preferential dividends will be paid.

Unsecured creditors

- In preparation for our appointment, we set up a dedicated email address and helpline number in order for creditors to contact us, other than by post. We have received a number of queries from creditors on matters relating to their claim or the impact of the Administration. We have continued to respond to queries to the extent possible and using the information currently available to us.
- As explained in more detail later, we have issued the relevant notices associated with the intended distribution of the Prescribed Part fund. This notice was placed in the London Gazette to ensure that creditors were aware of the intention to pay a dividend and the date they need to prove their claims by.

Preferential creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.

Fulfilling our Statutory Duties

As a consequence of the Company's insolvency, we have a number of responsibilities that do not necessarily or directly have a financial benefit for creditors but are required by insolvency legislation.

Statutory investigations

- We are required by Section 7A CDDA to submit information in regard to the conduct of the Company's directors to BEIS. Further information on this area of our work can be found in our previous report. The content of our investigatory findings is confidential however, it was concluded that there were no recovery actions that could be pursued.
- In this Period, we provided BEIS with additional information, however no actions or further investigations have arisen or are continuing.

Other statutory matters

- As joint administrators, there are various matters that we are required to undertake as part of our duties. In the Period, these statutory matters included:
 - Conducting a periodic review of the Administration in line with our firm's requirements.
 - Preparing and issuing our report to creditors on the progress of the Administration during its first six months, and filing it with Companies House.
 - Issuing notices relating to preferential and unsecured creditor dividends.

Objective of the Administration

- As set out in our Proposals, the statutory objective 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) (objective b).
- We continue to believe the objective of the Administration will be achieved by the sale of the Czech Republic inventory, recovery of other assets and distributing funds to creditors.

Joint Administrators' Remuneration

- In our Proposals, we confirmed that the Company had insufficient assets to repay the Secured Creditor and that a dividend for unsecured creditors would only arise by virtue of the statutory Prescribed Part fund. In such circumstances and in the absence of a creditors' committee, the basis of our remuneration needed to be determined by the Secured Creditor.

- Therefore, we sought approval from the Secured Creditor that our remuneration should be determined as a set amount of £60k plus VAT (a fixed fee). Approval was received on 9 November 2022. We continue to believe the set amount is a fair and reasonable reflection of the work required in the Administration.
- Earlier in this report and later in Appendix C, we have given a description of the work done by us and our staff during the Period.
- As shown on the enclosed receipts and payments account, no fees were drawn in the Period. The full amount of the fixed fee was drawn after the conclusion of the Period on (4 September 2023) and will therefore be shown in our next report to creditors.

Extension to the period of the Administration

- In accordance with Rule 18.3(5) IR16, we considered that an extension to the period of the Administration was required for the following reasons:
 - To allow sufficient time for the Prescribed Part fund to be distributed and any related work to be completed;
 - To receive the pre-appointment VAT refund and post-appointment VAT refunds from HMRC; and
 - To receive clearance from HMRC with regards to the Company's tax affairs.
- In the circumstances of the case, only consent of the Secured Creditor was required to extend the Administration. Consent was given on 26 July 2023.
- As a secured creditor can only consent once to an extension of an administration and in order to minimise costs of a court application for any second extension (in the unlikely event that became necessary) we sought the maximum extension period of 12 months. The Administration has therefore been extended to 16 August 2024.
- Our notice of extension has been filed with Companies House and delivered to creditors via the website referred to earlier. Based on current information we expect that the Administration will be capable of being ended before this date.

Fulfilling our Statutory Duties

We do not expect the Administration to extend beyond the initial extension, and we will be looking to bring the Administration to an end once its purpose has been achieved and all our work has been completed.

Exit route from Administration

- In our Proposals we explained the manner in which we anticipated the Administration would be brought to an end once its purpose had been achieved and our work had been completed.
- As we do not expect a dividend to be available for unsecured creditors (other than from the Prescribed Part), our planned exit route from the Administration is unchanged from the Proposals and will be one of the following:
 - a) The Administration will end by filing a notice with the Registrar of Companies to move the Company to dissolution. The Company will then automatically be dissolved three months after the notice is registered. This is currently considered to be the most likely route.
 - b) If there are matters remaining that require the attention of a liquidator, the Administration may end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company. We may propose that Samuel Alexander Ballinger, Matthew Boyd Callaghan and Christopher Jon Bennett (and/or any subsequent or replacement administrator holding office at that time) be appointed joint liquidators of the Company by the Court.
- We will take steps to bring the Administration to an end at the appropriate time (and when all necessary work has been completed) and by using the exit route we believe is most appropriate at the time.

Discharge from liability

- Pursuant to Paragraph 98 Sch B1 IA86, our discharge from liability (in respect of our actions as joint administrators) takes effect at a time determined by the relevant class of creditors, or the Court. In the circumstances of this case, it is for the Secured Creditor to make that determination.
- We proposed that discharge will take effect at the time our appointment ceases to have effect, and approval was obtained from the Secured Creditor on 26 July 2023.

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 16 February 2024, or when the Administration comes to an end, whichever is sooner.
- All documents will be retained on the website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided (free of charge) a hard copy of documents posted to the website.



Estimated Outcomes for Creditors

Secured and Preferential Creditors

A further distribution to the Company's Secured Creditor will be made in the coming months. We have confirmed that the Company has no preferential creditors.

Secured Creditors

- As set out in our Proposals and our previous progress report, the Secured Creditor entered into a loan agreement between a number of group entities. The outstanding Group debt due to the Secured Creditor at the date of our appointment was c.£10.4m and is secured by fixed and floating charges over the entirety of the Company's assets.
- The validity of the security was confirmed by DLA Piper (an independent law firm engaged by the Joint Administrators).
- Two non-cash distributions were made to the Secured Creditor in the form of a debt release of £119,436. This was the non-cash consideration in relation to the sale of the Company's Czech Republic Stock to Clever House and comprised of:
 - A waiver, discharge and release of the Company's secured debt in the amount £100,000 on 10 November 2023.
 - Deferred consideration in the form of an additional waiver, discharge and release of the Company's secured debt of £19,436. This was confirmed on 27 March 2023.
- A further secured distribution of c£4k is expected to be made to the Secured Creditor after the distribution of the Prescribed Part. The main source of funds for this distribution will be the Company's cash at bank and VAT refunds due to the Company.

Preferential Creditors

- Preferential claims are paid from the realisation of assets subject to a floating charge after the costs of the Administration have been paid or provided for.
- In their Statement of Affairs, the directors' estimated that there would be no preferential claims against the Company. We can confirm that since the Company had no employees on appointment, there are no first ranking preferential creditors.
- During the Period, we formed the view that HMRC may have a preferential claim for pre-appointment VAT, a potential second ranking preferential creditor claim in the Administration.
- We corresponded with HMRC and issued a statutory notice setting a deadline for any preferential claims to be submitted.
- HMRC subsequently confirmed that it did not have a preferential claim and as such there are no preferential creditors in the Administration and no preferential dividends will be paid.

Unsecured Creditors and Prescribed Part

A distribution by way of the Prescribed Part will be made by 18 September 2023 and is expected to be in the region of c.0.35p in the £.

- In an administration, dividends may become available for unsecured creditors from two sources:
 1. The statutory (ring-fenced) Prescribed Part fund; and/or
 2. The surplus remaining after any secured and preferential creditors have been repaid in full.
- In this case, there will be insufficient funds to repay the Secured Creditor in full in the Administration and as such a distribution to the unsecured creditors will only arise by virtue of the Prescribed Part.

Creditor Claims

- In their Statement of Affairs, the directors' estimated that non-preferential unsecured claims against the Company would be £169,416. However, as previously explained, we anticipated the actual total will be higher as the director's estimate did not include related party loans, additional trade creditors or consumer warranty claims.
- A notice of intended dividend was issued on 20 June 2023, giving a last date to lodge a proof of debt of 18 July 2023.
- We can confirm that we have received and admitted claims in the Administration totalling £9,182,965.

Prescribed Part Dividend

- Based on a value of net property of c.158k, the Prescribed Part Fund available to unsecured creditors is £34,564.
- There is not expected to be any return to unsecured creditors other than by virtue of the Prescribed Part.
- The Prescribed Part dividend is due to be declared by 18 September 2023.

The Prescribed Part

- Under Section 176A IA86, where after 15 September 2003 a company has granted floating charge security, a proportion of the 'net property' of the company must be made available for the benefit of the company's unsecured creditors.
- 'Net property' is the net floating charge realisations after the costs of realisation, expenses of the Administration and Preferential Creditors have been paid in full or funds set aside for.
- The Prescribed Part is calculated as follows:
 - 50% of net property up to £10k;
 - Plus 20% of the net property in excess of £10k; and
 - Subject to a maximum of £800k
- Expenses associated with the Prescribed Part must be paid out of the Prescribed Part, such as the agreement of claims, issuing statutory notices and distributing the funds.

Shareholders

- There will be no return to the Company's shareholders as there will be a material shortfall to the Company's creditors.



Appendices

Appendix A: Statutory Information

Company Name: LIFX UK Limited

Previous Name(s)	N/A	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names(s)	N/A	Administrators' Recognised Professional Body	ICAEW
Registered Number	09042811	Functions of Administrators	For the purposes of paragraph 100(2) of Schedule B1, all functions and powers of the administrators may be exercised by all of the administrators jointly or by any administrator separately.
Date of Incorporation	16 May 2014	Appointment Date	17 August 2022
Registered Office	c/o FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	Appointer / Applicant	Partners for Growth VI LP, as holder of a qualifying floating charge, pursuant to Paragraph 14 of Sch B1 IA86
Former Registered Office	The Business Resource Network, 53 Whateley's Drive, Kenilworth, CV8 2GY	Objective being pursued	Objective (b): 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)
Court Name / Address	High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List (ChD)	EC Regulation	"COMI proceedings" as the Company's registered office is in the United Kingdom, such that its centre of main interest is in the United Kingdom
Court Reference	Number 000701 of 2022	Changes in Administrator	N/A
Administrators' Names	Samuel Alexander Ballinger, Christopher Jon Bennett and Matthew Boyd Callaghan	Current Administration End Date	16 August 2024

Appendix B: Receipts and Payments Account

GBP	Statement of affairs ¹	Notes	From 17 August 2022 to 16 February 2023	From 17 February 2023 to 16 August 2023	Total for the Administration
Floating Charge Receipts					
Bank Interest		2	64	320	384
Cash at Bank	Nil	3,4	122,249	-	122,249
Cash in Hand		5	744	-	744
Debtor Receipts	14,102	6	4,975	-	4,975
Funds attributed to Lifi Labs		7	232	-	232
Pre-Appointment VAT		8	-	11,774	11,774
Sale of Inventory	315,000	9	100,000	19,436	119,436
Subtotal	329,102		228,264	31,530	259,793
Floating Charge Payments					
Bank Charges		3	(60)	-	(60)
Data Compliance			(40)	(40)	(80)
Funds attributed to Lifi Labs		7	(232)	-	(232)
Insurance			(4,160)	-	(4,160)
Legal Fees		6	(21,638)	-	(21,638)
Ransom Creditor			(7,610)	-	(7,610)
Statutory Advertising			(95)	(99)	(194)
Storage Costs			(7,790)	-	(7,790)
Subtotal			(41,624)	(139)	(41,763)
Floating Charge Balance			186,639	31,391	218,030
Distributions					
Floating Charge Secured Creditor		9	(100,000)	(19,436)	(119,436)
Unsecured Creditors		10	-	-	-
Net Receipts and Payments			86,639	11,955	98,594
Represented by					
Post-appointment VAT Receivable		11			20
Funds held in Administration Bank Account		12			98,574
Net Receipts and Payments					98,594

Appendix B: Receipts and Payments Account

Notes to the Receipts and Payments Account

1. The Statement of Affairs provided by the director did not reflect intercompany loans or certain estimated to realise values. It did not appear to consider the Company's automatic ordering system with key clients, or the intercompany loans to entities that are now in insolvency processes. The adjusted numbers were provided in the Joint Administrators' Proposals and relate to receivables (£4,929), Cash at bank (£122,204), and VAT refunds (£6,362) that were expected to be due to the Company.
2. In preparation for the end of the Administration, the estate account was requested to be non-interest bearing during the Period and this was effective on 8 June 2023. Accounts were removed from interest bearing in order for the final tax computations to be calculated.
3. The cash at bank figure shown in our Proposals was the amount received, net of bank charges in the sum of £44.72 (associated with the transfer of the Company's pre-Administration cash at bank to the administration estate). These have been shown separately in this receipts and payment account.
4. Cash at bank recoveries include amounts remitted to us in EUR and GBP currencies. The EUR amount was converted to GBP at the rate of 0.86 £/€, applicable on 22 September 2022. All amounts are stated in GBP and exclusive of VAT (unless otherwise stated).
5. Prior to the Administration and under an engagement contract between them, the Company had paid £8,000 to DLA in relation to work required in the period leading up to the Administration. A surplus of £744 remained after DLA had discharged their fees, and for convenience we agreed that DLA would retain those funds in part-settlement of work performed for the Company and the Joint Administrators during the Administration.
6. The Statement of Affairs balance shown includes an amount of £3,400 in relation to the overseas tax deposit.
7. As mentioned in our Proposals, we incorrectly received £231.84 that was payable to Lifi Labs Inc. This was duly transferred on 10 November 2022.
8. Pre-appointment VAT of c.£11k relates to pre-appointment legal advice obtained by the Company and the Company's receivable position prior to our appointment. We were informed by HMRC that the Company had a receivable position of c.£9k on 10 July 2023 and this was subsequently paid alongside the £2k relating to input VAT on legal advice, on 15 August 2023.
9. The non-cash consideration for the sale of inventory has been included, offset by a notional distribution to the Secured Creditor. As sufficient cash was in the estate account to make a Prescribed Part distribution, the deferred consideration was an additional discharge of debt of c.£19k.
10. An unsecured distribution by way of the Prescribed Part will be paid shortly. The last date to prove debts was on 18 July 2023.
11. All amounts are shown net of VAT unless otherwise stated.
12. Bank accounts are reconciled on a monthly basis.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Earlier in this report, we described the main areas of our work in the Administration during the Period covered by this report. The table below provides more detail, but is not an exhaustive list of all work performed. Also provided is an indicated of whether the work provided a financial benefit for creditors or whether (for example) it was required by statute.

Area of work	Description of work	Reason and benefit for creditors
Controlling the appointment	<ul style="list-style-type: none"> ■ Strategy and planning: devised and maintained appropriate strategies for achieving the purpose of the Administration, engagement team meetings and documenting key decisions. ■ Case reviews: periodic reviews of the Administration, approximately every six-months. ■ Financial Management: maintained the estimated outcome statement, as appropriate for the case. ■ Extension of administration: sought and received approval to extend the Administration, and completed the statutory actions required. ■ Closure matters: planned and prepared for ending the Administration if approval to extend not received, and sought discharge of liability from Secured Creditor. 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Realising the Assets	<ul style="list-style-type: none"> ■ Sale of inventory: in the period, we finalised the basis of the deferred consideration and liaised as necessary with counter-parties. ■ Bonding: continued periodic review of bonding to ensure it is in place and sufficient for the currently-appointed officeholders. 	<ul style="list-style-type: none"> ■ The sale of inventory provides a direct financial benefit for creditors and includes the work required after completion pursuant to the terms of the sale agreement, or otherwise. ■ Bonding provides financial protection for preferential and unsecured creditors in respect of the actions of the insolvency practitioners and up to the value of the Company's assets estimated to be available for those classes of creditors. Bonding is a statutory requirement for all insolvency practitioners.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditors: liaised with / periodic reporting to the Secured Creditor, on relevant matters of interest. ■ Preferential claims agreement: liaising with HMRC for the provision of supporting information, responding to queries, and receiving confirmation that there is no preferential claim. ■ Unsecured claims agreement: reviewed and adjudicated on claims received; including liaising with the creditors regarding the provision of supporting information and responding to queries. ■ Unsecured dividends: issued statutory notices in advance of declaring dividends. ■ Where required, maintained our systems to record and maintain creditor details, claims received, the determination thereon, pending the payment of dividends. ■ Creditor queries: for all classes of creditors, shareholders and other third parties: we responded to inbound queries received to the extent possible and necessary. 	<ul style="list-style-type: none"> ■ Distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Company and therefore is a tangible financial benefit from the insolvency proceedings. ■ During the course of claims agreement, we performed an proportionate level work with an appropriate degree of scrutiny taking into account the quantum of the dividend available, to avoid incurring unnecessary costs and to avoid adversely impacting the recovery for creditors. ■ The objective of our adjudication work is to ensure that only genuine and accurate claims are admitted for dividend purposes and where necessary we apply our expertise and commercial judgement to mitigate liabilities where possible; for the benefit of the wider body of creditors. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Managing the Company's Affairs	<ul style="list-style-type: none"> ■ Corporation Tax: prepared and submitted outstanding pre-Administration returns alongside collating required information and preparing for the necessary and periodic tax returns falling due during the Administration; and requested clearance from HMRC. ■ VAT: prepared and submitted the necessary and periodic VAT returns falling due during the Administration; requested the deregistration of the the Company's VAT registration. ■ Books and records: continued to maintain the books and records. ■ Bank account management: continued to monitor and reconcile accounts on a monthly basis. ■ Receipts, payments and accounting journals: maintained adequate accounting records for the period of the Administration, including the payment of costs and expenses. 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Company pays the correct amount of tax, to avoid adversely impacting any amounts available for creditors. ■ Dealing with the Company's books and records does not necessarily give a financial benefit to creditors, although they are essential when any defending actions against the Company's from third parties and when adjudicating creditor claims. ■ Opening bank accounts for the Administration avoids the costs and logistics of taking control of the Company's existing accounts (which are usually closed shortly after appointment). Regular reconciliations of the new accounts assist in maintaining accurate records for the Administration.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Fulfilling our Statutory Duties	<ul style="list-style-type: none"> ■ Progress reports: prepared and issued our first six-monthly progress report to creditors, including receipts and payments account. ■ CDDA and SIP2 Assessment: reported additional information to the Insolvency Service. 	<ul style="list-style-type: none"> ■ Due to the impact of insolvency on a company's creditors and members, there are statutory requirements to give notice of the appointment of administrators to affected parties. There is no financial benefit to creditors. ■ The various other workstreams arise from statutory requirements due to the Company being in an insolvency process and similarly do not have any direct financial benefit for creditors. Many requirements are for the purpose of keeping creditors informed about the Administration and to protect their interests generally.

Appendix C: Joint Administrators' Remuneration and Expenses

An overview of the types of expenses incurred.

Definition of expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional advisors and subcontractors

- The table on the next page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have done (subject to the exceptions detailed below), but that we have outsourced.
- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the inventory storage, legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) is set out later in this Appendix. The amounts paid are shown in the Receipts and Payments account at Appendix B.
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax and Technology teams have been included within the basis of our remuneration. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the Administration workstreams has been possible

Appendix C: Joint Administrators' Remuneration and Expenses

The table shows the professional advisors and subcontractors engaged on the Administration. Also shown is our firm's policy for the recovery of disbursements and the amounts incurred in the period.

Payee / firm	Service provided	Reason selected	Basis of fees/costs
DLA Piper	<ul style="list-style-type: none"> Legal advice on the appointment and the sale agreement 	Prior knowledge of the Company and experience in insolvency matters	Time costs and expenses
EPE Reynell	<ul style="list-style-type: none"> Advertising appointment, dividend and other statutory notices 	Experienced provider to insolvency practitioners	Standard tariff for Gazette notices
AON UK Limited	<ul style="list-style-type: none"> Statutory Bonding 	Experienced provider of insolvency practitioners	Fixed premium
AON UK Limited	<ul style="list-style-type: none"> Insurance risk services 	Experienced provider of insolvency practitioners	Insurance premiums
Tech Data	<ul style="list-style-type: none"> Inventory Storage 	Storage provider of the Company's inventory	Agreed costs of storage

Appendix C: Joint Administrators' Remuneration and Expenses

The table below should be read in conjunction with the receipts and payments account which shows expenses actually paid during the Period and the total paid to date.

Category	Incurred previously	Incurred in the Period	Total Incurred	Estimated Future	Estimated Total	Initial Estimate ¹
Legal Fees	21,638	-	21,638	-	21,638	31,888
Statutory Advertising	95	99	194	-	194	95
Statutory Bonding	150	-	150	-	150	225
Bank Charges	60	-	60	60	120	-
Insurance	4,160	-	4,160	-	4,160	3,000
Inventory Storage	7,790	-	7,790	-	7,790	15,000
Ransom Creditor	7,610	-	7,610	-	7,610	-
Data Compliance	40	40	80	-	80	40
Totals	41,543	139	41,682	60	41,742	50,248

1. The expenses estimate provided to creditors in our Proposals dated 10 October 2022

- Total expenses have not (and are not expected to) exceed the estimate of expenses provided to creditors prior to the determination of the basis of our remuneration.
- The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined.

Appendix D: An introduction to insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

There are several types of insolvency process, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.

The type of process depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

Commonly referred to as an 'IP', an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.

IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals and other specialists as required.

IPs are routinely monitored by their professional body to ensure continued adherence to applicable standards.

Realising the Assets

The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.

The costs of realising the assets can vary significantly, so an IP is looking to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.

Work done on realising the assets has a direct financial benefit for creditors.

Managing the Company's Affairs

Until such time as the company is dissolved, it must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.

Whilst appointed to manage the affairs of the company, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure accuracy and minimise liabilities.

Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.

As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential unsecured creditors can often be very small.

IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to notify those affected parties and keep them updated.

The company's affairs and conduct its directors must also be investigated to see whether any asset recovery (or other actions) need to be taken.

Whilst this work does not have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.

Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

Appendix E: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the insolvency proceedings.
- It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or Companies subject to these insolvency proceedings.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
www.fticonsulting.com/emea/cip/forms-and-information.
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive. Details of these rights are also set out on the right.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea-files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>

Creditors' Right to Challenge Remuneration and/or Expenses

- Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.
- Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

Creditors Right to Request Information

- Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Administrators of the Company to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.



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