



To all known creditors

Joint Administrators' Progress Report For the period from 4 November 2024 to 3 May 2025

Spring Fibre Limited – in Administration
(Company Number 12225396)

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

Glossary

Commonly Used Terms	Definition
Act / IA86	Insolvency Act 1986 (as amended)
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
CT	Corporation tax
DBT	Department for Business and Trade
FTI / FTI UK	FTI Consulting LLP
FTI FS	FTI Financial Services Limited
HMRC	HM Revenue & Customs
NOI	Notice of intention to appoint administrators
PAYE / NIC	Pay-as-you-earn tax / National Insurance Contributions
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts.
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86
RPS	Redundancy Payments Service
SIP	Statement of Insolvency Practice
SIP 2	Investigations by office holders in administration and insolvent liquidations
SIP 16	Pre-packaged sales in administrations
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 included here.
VAT	Value Added Tax

Case Specific References	Meaning
Administration	The Administration of the Company
Administrators / Joint Administrators / we / our / us	Christopher Jon Bennett, Shamil Ishan Malde and Andrew James Johnson
Appointment Date / Transaction Date	4 November 2024
The Board	The board of directors of the Company
Clumber	Clumber Consultancy Limited
The Company / Spring	Spring Fibre Limited – in Administration
Cooper Parry	Cooper Parry Advisory Limited
FTTP	Fibre-to-the-premises
HSBC	HSBC UK Bank plc
Period	From 4 November 2024 to 3 May 2025, the period covered by this progress report
PKF Francis Clark	Francis Clark LLP
Proposals	The Joint Administrators' Proposals issued on 11 November 2024
Purchaser	Harmony Networks Limited
Remuneration Report	The Joint Administrators' Remuneration Report issued on 24 February 2025
Secured Creditor / Lender	Creditors with security in respect of their debt in accordance with Section 248 IA86. In this case, the Secured Creditor is DICP Holdco Limited (at the time of the loan agreement called RAMIIF Holdco No.2 Limited and ultimately owned by RMI Infrastructure ("RMI")). In May 2024, Fiera Infrastructure Fund took over from RMI as ultimate owner of the Secured Creditor.
Shoosmiths	Shoosmiths LLP
Transaction	Pre-packaged sale of the Company's assets to the Purchaser

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Purpose of this report

Purpose of this Report

- Christopher Jon Bennett, Shamil Ishan Malde and Andrew James Johnson were appointed as joint administrators of Spring Fibre Limited (“the Company”) on 4 November 2024.
- 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 appointment.
- This report covers the period from 4 November 2024 to 3 May 2025 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

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: SpringFibre@fticonsulting.com

Post: Spring Fibre Limited – in Administration
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London, EC1A 4HD

Tel: +44 (0)20 3319 5585

- During the course of the Administration, documents will be made available for viewing and downloading at: www.ips-docs.com, using the login details previously provided.
- Information can also be found online at: www.fticonsulting.com/uk/creditors-portal/spring-fibre-limited

Actions Required by Creditors

- No action is required by creditors in connection with this report. It is for information purposes only.
- **However, there is a prospect of a small dividend for the unsecured creditors of the Company. If you have not already submitted your claim, please do so as soon as possible, using the Turnkey Insolvency Portal (www.ips-docs.com) and the login details previously provided.**



Progress of the Administration

Background to the Administration

The Company entered Administration following a sales process which resulted in no offers on a going concern basis. The majority of the Company's assets were sold immediately upon our appointment via a pre-packaged sale.

Background to the Company and the Administration

- A background to the Company and the events leading up to our appointment were included in our Proposals and SIP 16 Statement and are not repeated here for the purpose of this report unless considered necessary or beneficial to do so. Therefore, creditors may wish to review this report in conjunction with our Proposals and SIP 16 Statement.
- In summary, the Company was a pre-revenue fibre-to-the-premises ("FTTP") platform focused on servicing coastal and market towns in Lincolnshire and Yorkshire.
- In July 2022, the Company obtained a £55m term loan facility from DICP Holdco Limited (the "Secured Creditor"), secured by fixed and floating charges over the Company's assets. The Company drew on the loan to fund network rollout, but rising costs, competitive pressures and procurement challenges led to the abandonment of key projects.
- Despite management's attempts to implement a turnaround plan, the Company continued to require funding of c.£1.5m per month to support its operations. The Company was also unable to meet its cash interest payments due on 30 June 2024 and 30 September 2024, which constituted an event of default under the loan facility.
- In August 2024, FTI Financial Services ("FTI FS") was engaged to explore strategic options including a sale, capital raise, or debt restructuring. However, this did not lead to any offers capable of being executed, and the Secured Creditor confirmed it would not provide further funding. With no viable funding alternatives, the Board filed a Notice of Intention ("NOI") to appoint administrators on 21 October 2024.
- The Company then recommenced an accelerated sale process which resulted in three offers, including an offer for substantially all of the Company's assets from Harmony Networks Limited (the "Purchaser") for £1.5m. Immediately following our appointment, we completed a sale on this basis to the Purchaser (the "Transaction").

Objective of the Administration

- In our Proposals, we said the statutory objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration).
- We believe this will be achieved predominantly by virtue of the Transaction but also through maximising other asset realisations and managing an orderly wind-down of the Company's affairs.

Our Initial Strategy

- Our initial strategy to achieve the objective of the Administration was principally to:
 - Complete a sale of materially all of the Company's assets immediately upon our appointment;
 - Pursue other asset realisations such as cash from pre-appointment bank accounts and through sales of other assets not subject to the Transaction; and
 - Carry out an orderly wind-down of the Company's affairs.
- A significant amount of other work has been (and will be) undertaken, including:
 - Dealing with creditors and stakeholders: including responding to queries, and as dividends are available, agreeing creditor claims and distributing funds;
 - Managing the Company's affairs: in particular, in relation to tax and VAT; and
 - Fulfilling our statutory duties: those that arise solely as a result of our appointment as joint administrators and typically to protect the interests of creditors, such as completing our assessment of the Company's affairs and conduct of the directors.

Estimated Outcome for Creditors

- **Secured Creditor** - The Secured Creditor has both a fixed and floating charge over the Company's assets. The estimated recovery for the Secured Creditor is estimated to be c.5% and an initial distribution has been made, with further to follow in due course.
- **Preferential creditors** - All of the Company's employees were made redundant within the first week of the Administration and we expect that most employees will have first-ranking preferential claims against the Company in relation to arrears of wages and accrued unpaid holiday. We also expect there to be second-ranking preferential claims from HMRC in relation to PAYE and NIC arrears. Preferential creditors are expected to be paid in full and a dividend is expected to be paid within 2-3 months.
- **Unsecured creditors** - There are unlikely to be sufficient funds to repay the Secured Creditor in full so a distribution to the unsecured creditors will only arise by virtue of Section 176A IA86, a Prescribed Part dividend. The estimated recovery for unsecured creditors ranges from 1-2% and a dividend is expected to be paid within 3-4 months.

Our Work in the Administration and Key Asset Realisations

Since our appointment as joint administrators, we have focused our efforts on completing the pre-pack sale of materially all of the Company's assets and recovering value from other assets where beneficial for creditors to do so.

Pre-pack Sale of Assets

- On 4 November 2024, the directors of the Company appointed us as joint administrators, and we immediately sold substantially all of the Company's assets to the Purchaser via a pre-pack transaction.
- Consideration was £1.5m (plus VAT), of which £1m was received immediately upon completion, and £0.5m was deferred until 2 May 2025 and was received on that date.
- Following completion of the Transaction, we have supported the Purchaser with arranging contract novations, dealt with supplier queries in relation to continuation of services, and have liaised with the Purchaser to arrange for the employee laptops purchased to be securely wiped of any data and delivered to the Purchaser.

Connected Persons Transaction

- The Purchaser is under the same ownership as a key supplier to the Company, although they are not part of the same group. The Purchaser is not a connected party to the Company as defined by SIP 16, and the sale is not considered to be a substantial disposal to a connected party (as defined by SIP 16 and Paragraph 60A(3) Sch B1 IA86). All required information on the sale was included in our SIP 16 statement, which continues to be available online.

Rationale for the Transaction

- The Transaction was the best offer received for the Company's assets that was capable of being executed. As such, we were confident that any alternative to the Transaction would have provided worse outcomes for the creditors of the Company.
- The Company was wholly dependent on the Secured Creditor for funding, and without the Secured Creditor's support, which was withdrawn on 21 October 2024, there was no possibility of the business continuing to trade. As the stakeholder in whose debt the realisable value of the Company's assets breaks, the Secured Creditor stated its support for the Transaction.
- We do not consider that there was any deliverable alternative sale of the Company's business and assets or indeed any other alternative restructuring options available to the Company which would have yielded better net returns for creditors. Such options that were considered were outlined in our SIP 16 Statement.

Pre-Administration cash

- Shortly after our appointment, we recovered cash held in the Company's pre-appointment bank accounts in the amount of c.£777k. Together with other realisations, cash is invested accordingly and the amount of interest earned is shown in Appendix B.

Other Realisations

- Other available assets that were not subject to the Transaction were disposed of in the Period.
- Such assets mainly comprised relatively low value computer hardware and the disposals yielded realisations of £662.
- We are also expecting to receive a refund of VAT of c.£180k in relation to pre-appointment VAT returns which have been submitted. We have been liaising with the pre-appointment VAT advisors, PKF Francis Clark, in relation to this.

Other Work

- Our work in various other areas is summarised as follows:
 - Working with our internal digital forensics team to secure the Company's digital books and records and arranging appropriate data storage;
 - Responding to creditor queries to the extent reasonably possible; and
 - Fulfilling our statutory obligations in relation to VAT and corporation tax ("CT"), including working with the Company's pre-appointment tax advisors to submit the pre-appointment tax returns; and providing information to allow the pre-appointment Group VAT return to be submitted
- Further detail on work undertaken in relation to our statutory duties is set out later.

Managing the Company's Affairs

Until such time as the Administration ends, the Company must continue to fulfil many of its usual obligations. Whilst appointed to manage the Company's affairs, we are responsible for ensuring these obligations are met.

- Following our appointment, we notified HMRC (for both VAT and CT) purposes) that the Company had been placed into Administration, a consequence of which is the creation of a new period for both CT and VAT reporting that commences on the date of the Administration.
- Our internal VAT and CT specialists performed a review of the Company's tax affairs to understand the position in relation to the filing of returns and whether any tax assets may exist.

VAT

- Returns will be prepared and filed until such time as the Company is deregistered for VAT purposes. Currently no post-appointment VAT returns have been filed because we are awaiting confirmation of the new VAT registration number for the Company. Prior to the Administration, the Company was part of a VAT group, and we requested disbandment of the VAT group on 4 December 2024. HMRC has verbally confirmed that the VAT group has been disbanded, but this has not yet been confirmed in writing.
- Once the VAT group has been disbanded, the Company will be immediately re-registered and, with the assistance of our internal VAT specialists, returns for the post-appointment period will be filed in respect of receipts and payments incurred in the post-appointment period. We require confirmation of the new VAT registration number before we can submit any post-appointment VAT returns.
- We provided information to the Company's pre-appointment VAT advisor, PKF Francis Clark, to assist in their submission of group VAT returns relating to the pre-appointment period. We are expecting to receive a VAT refund of c. £180k in relation to pre-appointment group VAT returns submitted.

Tax

- Following our appointment, our internal tax specialists worked with the Company's pre-appointment tax advisor, Cooper Parry, to file the pre-Administration CT returns for 2022 and 2023.
- Our internal tax specialists are working to submit the pre-Administration CT return for 2024, and the returns for the post-appointment periods will be prepared and filed at the appropriate time.

Employees

- At the date of our appointment, the Company had 26 employees, the majority of whom were made redundant immediately following our appointment. A small team of nine employees who were deemed critical to the Company were retained for a short period to assist with the transfer of assets to the Purchaser, before being made redundant on 8 November 2024. The salaries for the period 1-8 November 2024 of these nine employees had been pre-funded by the Secured Creditor and paid prior to our appointment.
- Our post-appointment work in relation to the employees has included: liaising with the Company's pre-appointment payroll provider to arrange for the provision of P45s to the employees; responding to queries from employees regarding their claims (with the assistance of Clumber) and other general queries, such as responding to reference requests; liaising with Clumber Consulting regarding the provision of information to the RPS; and fulfilling our obligations in relation to the pension scheme.

Treasury and accounting

- An account of receipts and payments for the Period covered by this report is provided at Appendix B.
- Payments in the Period included a distribution to the Secured Creditor, employee related costs, legal fees, professional fees and other related expenses of the Administration. Receipts largely consisted of consideration from the Transaction, pre-Administration cash at bank, bank interest and other realisations from assets not subject to the Transaction.

Books and records

- As part of our statutory duties, we have secured the Company's statutory books and records, financial records, tax and VAT records, bank statements and board minutes. Our internal digital forensics team assisted in taking a digital copy of the digital books and records and ensuring this is stored securely.
- These will be retained until 12 months after the Company is dissolved, at which time they will be destroyed in accordance with insolvency legislation.

Fulfilling our Statutory Duties

As a consequence of the insolvency of the Company, 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

- As required by Section 7A CDDA, we have submitted information in regard to the conduct of the Company's directors to the Department for Business and Trade ("DBT"). The content of our investigatory findings is confidential. However, it was concluded that there were no recovery actions that could be pursued.
- Our investigation work was performed in accordance with SIP 2 and included a review of:
 - Questionnaires submitted by the directors of the Company who held office in the three-year period prior to the Administration;
 - The statements of affairs prepared by the directors of the Company;
 - The Company's board minutes in the 12 months leading up to appointment;
 - Correspondence received from creditors (who had been invited to bring any matters to our attention) in respect of the management of the Company;
 - Specialist forensic reports commissioned in respect of the Company's pre-appointment bank transactions in the two-year period prior to Administration; and
 - Certain of the Company's financial information.

Other statutory matters

- Our other work in the Period as a consequence of our appointment as joint administrators has included:
 - Sending required statutory notices of our appointment to creditors and other parties;
 - Assessing statutory bonding requirements and arranging cover;
 - Preparing and issuing our Proposals for achieving the purpose of the Administration, seeking their approval and giving notice of such; and
 - Undertaking internal periodic case reviews to ensure the strategy continues to be appropriate, and that the Administration is progressing on a timely basis.

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 3 November 2025, 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) with a hard copy of documents posted to the website, either now or in the future.

Objective of the Administration and Future Strategy

Insolvency legislation sets a 12-month maximum duration for an administration, unless the duration is extended by the Court or the creditors. We expect the Company to be dissolved once the Administration ends.

Objective of the Administration

- As set out in our Proposals, the statutory objective of the Administration is objective (b), to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration). We believe the objective of the Administration will be achieved by virtue of:
 - Initially taking control of the Company's affairs immediately on appointment to protect value in key assets;
 - Completing a pre-pack sale of materially all of the Company's assets;
 - Pursuing other realisations such as pre-Administration cash and sale of assets not included in the Transaction; and
 - Effecting an orderly wind-down of the business, including the mitigation of certain liabilities and with the protection of the statutory moratorium on legal actions against the Company.

Exit from Administration

- The manner in which an Administration ends usually depends on the Administration outcome. We are planning to end the Administration by dissolving the Company in advance of the first anniversary of our appointment for the following reasons.
 - Materially all of the Company's assets have now been realised negating any requirement to extend the Administration or pursue any other insolvency proceeding such as a creditors' voluntary liquidation.
 - Only a prescribed part dividend is expected to be available for unsecured creditors which means that the complexity of the claim adjudication and dividend payment processes is more limited and that therefore this work can be undertaken in the remaining period prior to the first anniversary of our appointment.
- For these reasons, dissolution provides the most cost-effective exit route given the circumstances. The Administration will therefore end by filing notice of dissolution with the Registrar of Companies. The Company will then be deemed to be dissolved by the Registrar of Companies three months after the notice is registered.

Extension to the period of the Administration

- Insolvency legislation sets a 12-month maximum duration for administrations, unless this period is extended by the Court or creditors. This initial period ends on 3 November 2025.
- On the basis of present information, we believe that the Administration will not require an extension to the period of our appointment beyond the statutory 12-month period.
- However, we may seek consent to for an extension from the relevant classes of creditors at the appropriate time if circumstances change and it is felt that an extension is necessary.

Discharge from liability

- Pursuant to Paragraph 98 of Schedule 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 and preferential creditors to make that determination and in due course we will seek their consent that discharge should take effect at the time our appointment ceases to have effect.

Joint Administrators' Remuneration and Expenses

- In Appendix C, we have provided an update on matters relating to our remuneration and expenses, including the costs that have been incurred, what creditors have approved and how much has been drawn.



Estimated Outcomes for Creditors

Estimated Outcomes (1/2)

We expect the Secured Creditor to receive a total return of c.5% of their debt, through a combination of fixed and floating charge realisations. We expect preferential creditors to be repaid in full.

Secured creditors

- In the Period, we received confirmation from the Secured Creditor that the principal amount of their lending to the Company (excluding interest) at the date of Administration was £32.4m. This is c.£1.1m less than the figure previously reported, which was taken from the directors' Statement of Affairs and included management's estimate of outstanding interest at the date of appointment.
- This lending is secured by way of a debenture dated 19 July 2022 which gives the Secured Creditor fixed and floating charges over all of the Company's assets.
- The Secured Creditor provided additional unsecured funding of c.£0.4m to allow the Company to pay its October payroll. This portion of funding is not secured by any charge over the Company's assets and is not entitled to any of the prescribed part fund which is set aside for unsecured creditors.
- The Company's pre-appointment bank, HSBC UK Bank plc ("HSBC") benefits from a fixed charge over the Company's current account in relation to a performance bond which HSBC provided in favour of Ofcom. Prior to our appointment, HSBC swept £140k out of the Company's current account, in anticipation of Ofcom calling on the bond. HSBC subsequently returned these funds, along with all pre-appointment bank account balances, to the Administration estate.
- The Company engaged Shoosmiths to undertake a review of the security over the assets of the Company and advise in relation to the entitlements of the Secured Creditor. The review concluded that both charges over the assets of the Company are valid.
- The Secured Creditor is expected to receive a return of c.5% from the assets of the Company.
- As shown in the Receipts and Payments Account enclosed in Appendix B, an interim distribution of £800k was paid to the Secured Creditor under the fixed charge in January 2025 upon receipt of confirmation of their debt.
- We expect to pay a further distribution shortly, following the recent receipt of the deferred consideration in relation to the Transaction.

Preferential creditors

- The Company is expected to have first-ranking preferential claims of c.£57k.
- The first ranking preferential claims relate to certain outstanding payments due to former employees, who were made redundant by the Administrators following our appointment and did not receive their arrears of wages and accrued holiday pay.
- The (second ranking) preferential claim from HMRC is estimated to be c.£269k, which relates to unpaid PAYE and NIC relating to the pre-appointment period.
- We anticipate that preferential creditors will be repaid in full. Dividends to preferential creditors are paid from floating charge realisations, after the costs of the Administration and are expected to be paid in the next 2-3 months.

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.

Estimated Outcomes (2/2)

We expect a small dividend will be available to the unsecured creditors of the Company via the Prescribed Part.

Unsecured Creditors

- In an administration, dividends may become available for unsecured creditors from two sources:
 - The statutory (ring-fenced) Prescribed Part fund; and/or
 - The surplus remaining after any secured and preferential creditors have been repaid in full.
- The Prescribed Part applies in this case as there is a floating charge created on or after 15 September 2003; and based on current information, we believe there will be a Prescribed Part dividend for unsecured creditors.
- If we think the costs of agreeing claims and paying a Prescribed Part dividend will be disproportionate to the benefits, we can apply for a court order not to pay the Prescribed Part to unsecured creditors. However, we do not expect such an application will be necessary.
- We think the Company's net property will be in the range of £262k - £297k which means the estimated value of the Prescribed Part is £55k - £62k. This would give a dividend of about 1.5% - 1.7% based on the estimate of unsecured creditors included in the directors' statement of affairs. These estimates depend on future realisations, Administration costs and finalising claims from unsecured creditors. This guidance is only an indication and should not be used as the main basis for any bad debt provisions or debt trading.
- We do not believe there will be any dividend for unsecured creditors in addition to the Prescribed Part.

Dividends and timing

- Dividends are expected to be paid via the Prescribed Part fund once all asset realisations have been completed, including receipt of the outstanding pre-appointment VAT refund.
- Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision. The amount distributed will be determined by the final level of admitted claims and the value of the funds available.

The Prescribed Part

- Under Section 176A of the Act, where after 15 September 2003 a company has granted floating charge security, a proportion of the net property of the company (achieved from floating charge asset realisations) must be made available for the benefit of the Company's unsecured creditors.
- The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) and 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 (prior to the deduction of the costs of distributing).

Shareholders





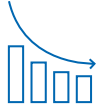
- There will be no return to the Company's shareholders as there will be a material shortfall to the Company's creditors.



Key Matters Remaining

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the insolvency proceedings are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	Company Affairs 	Other assets 	Tax / VAT 	Distributions 	Winding-down 
Work Required	<ul style="list-style-type: none"> Administering the Company's affairs while it continues to be in Administration, including cashing, maintaining creditor information, reporting to creditors, liaising with Companies House and responding to <i>ad hoc</i> queries from creditors. 	<ul style="list-style-type: none"> Fulfilling post-sale obligations arising from the Transaction including supporting with any contract novations. Pursue realisation of outstanding VAT refunds relating to the pre-appointment period. Pursuing further asset realisations to the extent viable opportunities arise. We do not expect further realisations to occur, beyond the VAT refunds. 	<ul style="list-style-type: none"> Preparation and submission of VAT and CT returns when required. VAT deregistration and potential preparation of VAT 427 forms (for input VAT recovery post-deregistration). 	<ul style="list-style-type: none"> Ongoing responses to inbound queries received, including supporting creditors on the Turnkey Insolvency Portal. Agreement of preferential and unsecured claims (with support from creditors). Distributions of funds to secured, preferential and unsecured creditors. 	<ul style="list-style-type: none"> Complete statutory obligations as required to proceed with the dissolution of the Company. Finalise any remaining matters necessary to wind down the Company's affairs prior to dissolution.
Timing	<ul style="list-style-type: none"> Management of the Company's affairs is continuous while we remain in office. 	<ul style="list-style-type: none"> Two to three months. 	<ul style="list-style-type: none"> Periodic returns until such time as the Company is deregistered. 	<ul style="list-style-type: none"> Two to four months and will take place once we deem there to be no further viable asset realisations to pursue. 	<ul style="list-style-type: none"> We propose to move to dissolve the Company prior to the first anniversary of the Administration.



Appendices

Appendix A: Statutory Information

Please find below a summary of statutory company information for Spring Fibre Limited

Company name:	■ Spring Fibre Limited
Previous name:	■ Lightspeed Fibre Limited (25 Sep 2019 - 23 Jun 2020) ■ Light Speed Fibre Limited (25 Sep 2019 - 25 Sep 2019)
Trading name:	■ Spring Fibre
Company number:	■ 12225396
Date of incorporation:	■ 25 September 2019
Trading address:	■ Thames Tower, Station Road, Reading, England, RG1 1LX
Current registered office:	■ c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
Former registered office:	■ Thames Tower, Station Road, Reading, England, RG1 1LX (from 4 October 2023 to 6 November 2024)
Principal trading activity:	■ Wired telecommunications activities
Administrators:	■ Christopher Jon Bennett, Shamil Ishan Malde and Andrew James Johnson
Administrators' address:	■ c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
Date of appointment:	■ 4 November 2024
Court name and reference:	■ In the High Courts of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) - CR-2024-006606
Appointment made by:	■ The Directors of the Company
Actions of Administrators:	■ Any act required or authorised under any enactment to be done by an administrator may be done by either or all of the Administrators acting jointly or alone.

Appendix A: Statutory Information

Please find below a summary of statutory company information for Spring Fibre Limited

Officers of the Company:	<ul style="list-style-type: none"> ■ Daniel Anderson; ■ Jason David Cogley; ■ Gareth Greppellini; ■ Sarah Louise Herriman; ■ Indraneil Mahapatra; and, ■ Stuart David Sutton.
Company Secretary:	<ul style="list-style-type: none"> ■ Not applicable
Shareholdings held by the directors and company secretary:	<ul style="list-style-type: none"> ■ Indraneil Mahapatra holds 40,353 class B preferred shares with a nominal amount of £0.01 each. ■ Stuart Sutton holds 138,705 class C preferred shares with a nominal amount of £0.01 each.
Share Capital:	<ul style="list-style-type: none"> ■ 34,676,178 class A ordinary shares with a nominal amount of £0.01 each. ■ 12,483,424 class B preferred shares with a nominal amount of £0.01 each ■ 1,314,921 class C preferred shares with a nominal amount of £0.01 each ■ 221,928 deferred shares with a nominal amount of £0.01 each
EU Regulation on Insolvency Proceedings:	<ul style="list-style-type: none"> ■ We consider that these are “COMI proceedings” since the Company’s registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.

Appendix B: Receipts and Payments

Receipts and Payments (£)	Notes	Statement of Affairs	Receipts and Payments
Fixed Charge Receipts			
Plant & Machinery	1	1,447,997.00	1,447,996.00
Intellectual Property	1	1.00	1.00
Bank Interest		-	8,411.54
Total Fixed Charge Receipts		1,447,998.00	1,456,408.54
Fixed Charge Payments			
Distribution to Secured Creditor	2	-	(800,000.00)
Office Holders Fees	3	-	(50,000.00)
Total Fixed Charge Payments		-	(850,000.00)
Net Fixed Charge Receipts		1,447,998.00	606,408.54
Cash at Bank	4	641,580.59	777,181.17
Information Technology	1	2,000.00	2,000.00
Computer Equipment	5	-	661.66
Business Information	1	1.00	1.00
Stock	1	50,000.00	50,000.00
Office Equipment	1	-	1.00
Contracts	1	1.00	1.00
VAT receivable	6	327,278.12	-
Bank Interest		-	5,812.88
Total Receipts		1,020,860.71	835,658.71
Floating Charge Payments			
Employee Related Costs	7	-	(11,857.62)
Legal Fees	8	-	(5,712.80)
Professional Fees	9	-	(900.00)
Bordereau Premium		-	(225.00)
Re-Direction of Mail		-	(627.00)
Statutory Advertising		-	(99.00)
Insurance	10	-	(651.56)
Office Holders Fees	3	-	(200,000.00)
Total Payments		-	(220,072.98)
Net Floating Charge Receipts		1,020,860.71	615,585.73
Net Receipts/(Payments)		2,468,858.71	1,221,994.27
Made up of:			
VAT Control	11		(246,418.46)
Fixed Charge Bank Account			896,408.54
Floating Charge Bank Account			572,004.19
Total			1,221,994.27

Notes

- These receipts reflect the allocation of the Transaction consideration received. Plant & Machinery and Intellectual Property were subject to fixed charge security and the remaining assets disposed of in the Transaction were subject to floating charge security. All Transaction consideration has been received, including the deferred consideration of £0.5m received in May 2025.
- The first distribution was made to the Secured Creditor under their fixed charge security on 27 January 2025 and reflects the majority of the fixed charge realisations made at that date. Now that the deferred consideration has been received, a further distribution to the Secured Creditor will be made.
- £250k (plus VAT) of our approved £400k fixed fee was drawn in the Period, of which £50k was drawn from fixed charge realisations with the agreement of the Secured Creditor, and £200k was drawn from floating charge realisations. We plan to draw the remaining £150k from floating charge realisations prior to the first anniversary of our appointment. We will draw no further fees from fixed charge realisations.
- We have recovered cash held in the Company's pre-Administration bank accounts of £776,630. Shoosmiths were also holding cash of £551 on account, which was used in payment towards their invoice for post-appointment work. The quantum of both cash balances is reflected in the cash at bank figure.
- Comprises realisations from the sale of computer equipment which was not included as part of the Transaction.
- Work has been undertaken to realise the Company's outstanding pre-appointment VAT receivable, and we expect to receive c.£180k in relation to this.
- Comprises payments made in respect of payroll, employee and pension matters.
- Legal fees incurred in relation to general post-appointment matters of the Administration including the validity of appointment review.
- Includes bank statement analysis costs of £400 incurred in relation to our statutory investigations into the directors' conduct; and £500 paid to Cooper Parry for submission of the 2022 and 2023 pre-Administration CT returns.
- Relates to open cover insurance. Further payments of c.£4,760 are expected in relation to management liability insurance.
- All amounts are shown net of VAT, which we expect to be recoverable. The VAT payable balance relates to VAT received on the sale of assets, offset by VAT paid on expenses.

Appendix C: Joint Administrators' Remuneration and Expenses

The Secured Creditor and preferential creditors have determined that our remuneration should be a set amount (a fixed fee) of £400k and some £250k of this has been drawn to date.

Basis of our Remuneration

- In the Period, we sought approval that our remuneration should be fixed as a set amount (a fixed fee) of £400k plus VAT. This was approved on 14 March 2025 by a decision of the preferential creditors of the Company and also with the consent of the Secured Creditor. There are no business or personal relationships with parties responsible for approving remuneration or who provide services where the relationship could give rise to a conflict of interest.
- Earlier in this report and later in this Appendix, we have given a description of the things done by us and our staff during the Period. Creditors can refer to our previous Remuneration Report for further details underpinning our now approved fixed fee.
- We continue to believe the set amount is a fair and reasonable reflection of the work required in the Administration.
- As shown on the enclosed receipts and payments account, in the Period we drew £250k of our approved £400k fixed fee, with £50k being paid from fixed charge realisations and £200k from floating charge realisations. The remaining £150k will be drawn from floating charge realisations in due course.

Pre-Administration Costs

- A breakdown of our pre-Administration costs was included in our Proposals and Remuneration Report, and details are only repeated in this report where considered necessary or beneficial to do so.
- After the first NOI was submitted on 21 October 2024 and insolvency became unavoidable, we worked with the Company's directors and their legal advisers to prepare for the Administration.
- Between 21 October 2024 and our appointment, our pre-Administration time costs totalled £132,975.60 (plus VAT), of which £110,818.80 was paid by the Company shortly before our appointment. The remaining £22,156.80 is unpaid and we do not intend to seek approval to pay these as an expense of the Administration.
- Our preparatory work played a key role in ensuring the Transaction could be completed immediately upon appointment, helping to secure better outcomes for creditors than would have been possible otherwise.

- Our costs of £132,975.60 (plus VAT) in relation to placing the Company into Administration included, but was not limited to:
 - Statutory obligations: Obtaining key information from management, preparing and reviewing pre-appointment checklists and notifications, drafting strategy documents, arranging insurance and planning collection of books and records.
 - Employee matters: gathering employee information and working with Clumber on redundancies and drafting the HR1 form.
 - Sale of assets: engaging with prospective purchasers, helping management update sale materials, coordinating Transaction information, liaising with Shoosmiths on the Transaction, negotiating and finalising the APA, working with the Secured Creditor and their legal counsel on the Transaction and agreeing releases of security.
- Other pre-Administration costs incurred:
 - Shoosmiths charged £52,667.30 (plus VAT) for providing advice to the proposed administrators under an engagement letter dated 28 August 2024, in relation to the Transaction and matters relating to their appointment. This preparatory work was necessary to ensure the Transaction could proceed immediately upon appointment.
- A summary of pre-Administration costs paid and unpaid is set out in the table below. Please note that the unpaid portion of our pre-Administration time costs incurred, as set out in our Proposals, was underreported by £6,950. We do not intend to seek approval for the unpaid pre-Administration costs (of £22,156.80) to be paid as an expense of the Administration.

Pre-Administration costs (£ plus, VAT)			
	Paid	Unpaid	Paid by
Our fees as administrators-in-waiting	110,818.80	22,156.80	Company
Fees charged by Shoosmiths, who provided legal advice to the administrators-in-waiting	52,667.30	-	Company
Total	163,486.10	22,156.80	

Appendix C: Joint Administrators' Remuneration and Expenses

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

Area of Work	Description of Work	Reason and Benefit for Creditors
Controlling our Appointment	<ul style="list-style-type: none"> ■ Strategy and planning: we devised and maintained appropriate strategies for achieving the purpose of the Administration, which included engagement team meetings and documenting key decisions. ■ Case reviews: we undertook periodic internal reviews of the Administration. ■ Financial management: we prepared and maintained estimated outcome statements etc., as appropriate for the case. ■ Remuneration: we prepared and circulated information to creditors, seeking fee approval in accordance with insolvency legislation requirements, and drew fees when approved. 	<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. ■ Our work in relation to the determination of our remuneration and expenses is in compliance with statutory and regulatory requirements.
Asset Realisations	<ul style="list-style-type: none"> ■ Sale of assets: following the immediate sale of the assets, we fulfilled certain post-sale obligations and undertook the reasonable work required to support the transfer of assets to the Purchaser, such as liaising with the Purchaser and suppliers regarding matters such as novations of contracts, arranging for the transfer to the Purchaser of laptops purchased, completion of transfer documentation etc. ■ Other assets: we worked on recovering other assets, including the funds held by HSBC in pre-appointment accounts, IT equipment which was not included in the pre-pack transaction, and outstanding VAT receivable. ■ Insurance: arranged 'open cover' insurance immediately on appointment, worked with our insurance brokers to agree the scope of any ongoing insurance requirements and managed the policies as required; including cancellation and payment of premiums. ■ Bonding: arranged specific penalty bonding for each of the joint administrators following their appointment, paying premiums and cancelling the bonds once the appointment comes to an end. 	<ul style="list-style-type: none"> ■ Realisation of assets is a primary objective of any insolvency case because it is necessary to recover the value from the Company's assets for distribution to creditors. ■ Pursuit of asset realisations is only undertaken if economical to do so and in the best interests of creditors, i.e., the net result for creditors is positive. ■ Insurance cover is a necessary financial loss protection for the Company, its creditors and the Administrators in respect of assets held (and any insurable risks arising) during the course of the Administration. ■ Similar to insurance, 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 included realising the Company's assets, quantifying its liabilities, returning funds to the Secured Creditor, 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: we liaised with / periodically reported to the Secured Creditor and made a distribution from asset realisations under security entitlements. ■ Preferential claims: we have reviewed employee claim information provided by Clumber, reviewed claims received from HMRC and liaised with HMRC regarding their claim. ■ Unsecured claims: we have reviewed claims received and have liaised with creditors regarding the provision of supporting information and have responded to queries. ■ Where required, we maintained our systems to record and maintain creditor details and claims received. ■ 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"> ■ Where available, 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 perform a 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 included realising the Company's assets, quantifying its liabilities and returning funds to the Secured 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: we assisted with the preparation and submission of certain tax returns for the period prior to the Administration and work in relation to the other periods. ■ VAT: we submitted an application to disband the VAT group and re-register the Company individually for VAT and provided information to allow the Company's pre-appointment tax advisor to submit pre-appointment VAT returns. ■ To facilitate the above work, an initial review was performed by our internal Tax and VAT specialists; and the information likely to be required was obtained from the Company's records and HMRC. ■ Books and records: we agreed the strategy for the safeguarding and destruction (when required) of the Company's records. This included taking a copy of certain of the Company's electronic records and taking possession of the statutory books and other records likely to be required for the purpose of the Administration, including in respect of our duties to review the conduct of the directors. ■ Bank account management: we opened bank accounts (under our control) for the purpose of depositing sale proceeds and other receipts, paying expenses and making distributions to creditors. The accounts will be closed when no longer required and before we cease to act and are reconciled on a monthly basis. ■ Receipts, payments and accounting journals: we 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 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 included realising the Company's assets, quantifying its liabilities and returning funds to the Secured 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"> ■ Initial letters and notices: we issued all necessary correspondence following our appointment to creditors, directors, Companies House, HMRC and others. We issued our SIP 16 Statement to creditors and our regulatory body following completion of the pre-pack transaction. ■ Statement of affairs: we requested a statement of the Company's affairs from the directors, responded to queries from the directors and filed a signed statement with Companies House. ■ Proposals: we prepared and issued our statement of proposals (for achieving the purpose of the Administration) to creditors, members and filed this with Companies House. We gave notice of the approval of the Proposals to the above parties and the Court. ■ Progress reports: we have undertaken initial drafting of this progress report to creditors, including preparation of receipts and payments accounts. ■ CDDA and SIP2 Assessment: we gathered information from the directors and other sources, conducted an initial assessment of the Company's affairs and the conduct of the current and former directors, and submitted information to the Insolvency Service (acting for the Secretary of State). 	<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 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 legal advice, mail re-direction 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.
- Also shown is our current estimate of total expenses and a comparison to our initial estimate (the details given to creditors prior to the determination of the basis of our remuneration).
- 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. 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

Costs are necessarily incurred by the Company and its Administrators during the course of the Administration. Certain categories of these costs must be approved in the same manner as remuneration prior to payment.

Professional advisors and subcontractors

- The following professional advisors and subcontractors have been engaged:

Firm	Services	Fee Arrangement	Reason Selected
Cumber Consultancy Limited	Employee Claims	Fixed fee based on the number of employees	Experienced provider of employee services to insolvency practitioners
EPE Reynell	Gazette Notices	Fixed cost per advert	Specialists in dealing with legal advertising
Aon UK Limited	Insurance Risk Services	Insurance premiums	Experienced provider of insurance services to insolvency practitioners
Shoosmiths LLP	Legal Advice	Time cost basis	Experience in providing legal advice to administrators and prior knowledge of the Company
Browne Jacobson LLP	Legal advice on validity of appointment	Fixed fee basis	Comparatively cheaper than Shoosmiths LLP due to fee basis
DSG Accountancy and Professional Services Limited	Payroll services	Fixed fee basis	The Company's pre-appointment payroll provider
Cooper Parry Advisory Limited	Corporation tax services	Fixed fee basis	The Company's pre-appointment corporation tax advisor

Appendix C: Joint Administrators' Remuneration and Expenses

This table shows the Administration expenses incurred in the Period, our current view of total expenses and a comparison to the estimate previously provided.

Firm	Notes	Services	Incurred in the Period (£)	Estimated future to incur (£)	Total estimated expenses (£)	Estimated provided in our Remuneration Report (£)
Clumber Consultancy Limited	1	Employee Claims	10,448.12	10,501.88	20,950.00	20,950.00
EPE Reynell	2	Gazette Notices	99.00	198.00	297.00	297.00
Aon UK Limited	3	Insurance	5,411.56	-	5,411.56	900.00
Aon UK Limited	3	Bonding	225.00	-	225.00	225.00
Royal Mail	4	Mail Re-direction	627.00	-	627.00	627.00
Shoosmiths LLP	5	Legal Advice	4,712.80	40,287.20	45,000.00	45,000.00
Browne Jacobson LLP	6	Legal Advice	1,000.00	-	1,000.00	1,000.00
DSG Accountancy and Professional Services Limited	7	Payroll Services	1,409.50	-	1,409.50	1,474.50
Prism 339 Ltd	8	Bank statement analysis	400.00	-	400.00	400.00
Cooper Parry Advisory Limited	9	Preparation and submission of CT returns	500.00	-	500.00	-
Total Estimate			24,832.98	50,987.08	75,820.06	70,873.50

Expenses Estimate

- The table above shows details of the expenses incurred in the Period, together with our estimate of the total expenses likely to be incurred during the course of the Administration. We do not anticipate incurring any Category 2 expenses and therefore we will not be seeking approval to the basis upon which any Category 2 expenses may be charged to the estate. If this changes, we will write to the fee approving body at the appropriate time to seek the necessary approval.
- As the table shows, expenses totalling c.£76k (plus VAT where applicable) are estimated to arise in these proceedings, the majority of which relate to legal fees and fees in relation to employee matters. We are satisfied that the amounts expected to be incurred are reasonable in the circumstances of the case.
- There is no requirement for us to seek approval to any Category 1 expenses and the overall estimate provided does not represent a cap on the amount that can be paid. However, when reporting to creditors, we will provide an update on the amounts incurred and paid, together with an explanation of any material differences compared to this estimate.
- Explanatory notes setting out further details on the expenses set out above are provided on the following page.

Appendix C: Joint Administrators' Remuneration and Expenses

These notes support the expenses table set out on the previous page.

Notes to the Expenses Table

1. Clumber were engaged to provide assistance with employee claims and pension matters for the Administration. Costs incurred in the Period related to providing assistance to employees in submitting their claims to the RPS and responding to any queries; liaising with the RPS regarding their claim; reviewing and querying employees' claims in the Administration; and preparing and submitting statutory notices in relation to the pension scheme. Future costs are anticipated to relate to the agreement of employee claims and assisting with any further employee queries. We do not expect their fees to exceed £20,950.
2. This includes the costs of advertising (in the London Gazette) various notices and the estimated costs of further advertisements required in relation to dividends.
3. Open cover insurance was taken out on the Appointment Date in case of any insurable assets or risks in the immediate period following our appointment. It has subsequently become clear that there are no assets held by the Company that need to be insured so further insurance costs are expected to be minimal. Insurance costs of £652 were paid in the Period, and additional costs of £4,760 were incurred in relation to management liability insurance, which was taken out to provide cover in the event our investigations revealed any potential claims against the directors of the Company. This has caused our estimate for insurance costs to increase compared with the estimate provided in our Remuneration Report. We don't expect to incur any additional costs in relation to insurance and statutory bonding will not exceed £225.
4. Mail re-direction was implemented on appointment. This expense has been incurred, and we do not anticipate further expenses being incurred in relation to mail re-direction.
5. Shoosmiths LLP were engaged by the Company as legal advisors prior to the Administration and have continued to provide post-appointment advice in relation to general Administration matters, liaising with Browne Jacobson LLP on the appointment validity report, and director queries. We do not expect overall post-appointment legal fees to exceed £45k, but any further fees would likely relate to the Administration generally and to queries raised regarding the Transaction.
6. Browne Jacobson LLP were engaged to undertake a review of the validity of our appointment. This expense has been incurred, and no further expenses are anticipated.
7. DSG Accountancy and Professional Services Limited were the Company's pre-Administration payroll service provider. Their services were required to complete final pre-Administration payroll and issue P45s to employees. No further expenses are anticipated.
8. Pre-Administration bank statement analysis services incurred in relation to CDDA investigations. No further expenses are anticipated.
9. Cooper Parry Advisory Limited was the Company's pre-Administration tax advisor and was engaged by us to complete and file the Company's outstanding pre-appointment Corporation Tax returns. This cost was not envisaged at the time of our previous expenses estimate. No further expenses are anticipated.

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 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.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/uk/creditors-portal>.

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.
<https://www.fticonsulting.com/uk/creditors-portal/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.
- The above documents on our website are called:
 - Creditors Guide to Administration (E&W, February 2023)
 - Guide to Administrators Fees April 2021 England Wales
- Details of the above 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 in our Data Privacy statement on our website at <https://www.fticonsulting.com/uk/creditors-portal>.

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.



Experts with Impact™