



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 1 7 4 7 4 8 3

Company name in full HCT Group

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Mark

Surname Thornton

### 3 Administrator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country

### 4 Administrator's name ①

Full forename(s) Neville

Surname Side

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 55 Baker Street

Street London

Post town

County/Region

Postcode W 1 U 7 E U

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> <div>2</div>	<sup>d</sup> <div>3</div>	<sup>m</sup> <div>0</div>	<sup>m</sup> <div>9</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>2</div>
To date	<sup>d</sup> <div>2</div>	<sup>d</sup> <div>2</div>	<sup>m</sup> <div>0</div>	<sup>m</sup> <div>3</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>3</div>

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*M. T. M.*

X

Signature date

<sup>d</sup> <div>2</div>	<sup>d</sup> <div>1</div>	<sup>m</sup> <div>0</div>	<sup>m</sup> <div>4</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>3</div>
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**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 **Andrew Haynes**

Company name **BDO LLP**

Address **5 Temple Square**

**Temple Street**

Post town **Liverpool**

County/Region

Postcode

**L 2 5 R H**

Country

DX

Telephone

**+44 (0) 1512 374 500**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

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

## 2 Insolvency practitioner's name

Full forename(s)

Martha

Surname

Thompson

## 3 Insolvency practitioner's address

Building name/number

55 Baker Street

Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country



# **HCT Group In Administration**

Joint Administrators' progress report from  
23 September 2022 to 22 March 2023

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# GLOSSARY OF TERMS

Abbreviation or term	Meaning
'Act'	Insolvency Act 1986
'BIS'	Big Issue Social Investments Limited
'Director/Trustee'	Used interchangeably, Director under the Companies Act 2006 and Trustee under Charities Act 2011.
'ERA'	ERA Solutions Limited
'Gateley'	Gateley Plc
'GDPR'	The General Data Protection Regulation (EU)
'HCT CIC'	HCT Group Operations Community Interest Company
'HMRC'	HM Revenue & Customs
'HSBC'	HSBC UK Bank PLC
'Joint Administrators' or 'we'	Mark Thornton, Neville Side and Martha Thompson
'net property'	Floating charge realisations after costs and payment of preferential and secondary preferential creditors in full
'Period'	23 September 2022 to 22 March 2023
'preferential creditors'	Claims for unpaid wages earned in the four months prior to Administration up to £800, holiday pay and unpaid pension contributions in certain circumstances. Where a decision is being sought from preferential creditors these will include secondary preferential creditors
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'Proposals'	The Joint Administrators' statement of proposals for achieving the purpose of the Administration
'QFCH'	Qualifying Floating Charge Holder
'Rules'	Insolvency (England and Wales) Rules 2016
'Sch.B1 to the Act'	Schedule B1 to the Act
'secondary preferential creditors'	Where a company enters into Administration on or after 1 December 2020, claims for unpaid VAT, PAYE deductions, Employee National Insurance Contributions (NICs) deductions, student loan repayment deductions and amounts withheld under the construction industry scheme

<b>'secured creditors'</b>	Creditors whose debt is secured, in accordance with Section 248 of the Act
<b>'SIA Group'</b>	SIA Group Asset Ingenuity Limited
<b>'the Company'</b>	HCT Group
<b>'the Group'</b>	HCT Group and its subsidiaries
<b>'the Report'</b>	Prepared in accordance with Rules 18.3 and 18.6 of the Rules
<b>'unsecured creditors'</b>	Creditors who are neither secured nor preferential

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# KEY INFORMATION

## Background

Mark Thornton, Neville Side and Martha Thompson were appointed Joint Administrators of the Company on 23 September 2022.

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.

## Purpose of the Report

This is the six month Report for the period from 23 September 2022 to 22 March 2023.

The main purpose of the Report is to provide you with an update on the progress of the Administration during the Period and to update you on the pursuit of the statutory purpose of the Administration.

The Report can be reviewed in conjunction with all other reports regarding this Administration, on the [brportal.bdo.co.uk](http://brportal.bdo.co.uk) portal.

## Return to creditors

The table below summarises the anticipated outcome for creditors, based on our current understanding of the case. Please note these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors	Uncertain	Uncertain
Preferential creditors	100p in the £	100p in the £
Secondary preferential creditors	100p in the £	Uncertain
Unsecured creditors	Uncertain	Uncertain

The Company is subject to three debentures in favour of BISI as Security Agent, created on 31 March 2015, 12 June 2018 and 24 June 2022. As at the date of the Joint Administrators' appointment, the Directors of the Company estimated that BISI is owed £8.889m pursuant to its fixed and floating charges.

The quantum of distributions to preferential, secondary preferential and unsecured creditors will be dependent on the asset realisations achieved, costs of the Administration and the final amount of creditor claims received.

Based on the Company's records and associated estimate of HMRC's secondary preferential claim, it is anticipated that there will be sufficient net asset realisations to allow a distribution to both preferential and secondary preferential creditors in full.

In the event that the preferential creditor claims are not materially higher than the estimated value, we anticipate that the recovery of the Company's floating charge assets will also allow for a distribution to the QFCH and a return to unsecured creditors via the Prescribed Part. However, the quantum and timing of such distribution remains uncertain.

## What creditors need to do

The purpose of the Report is to provide you with an update only and the creditors of the Company do not need to take any actions at this time.

We will be contacting the secured creditors and preferential creditors to obtain consent to our Fees Estimate which is included within this Report for information only.

If you haven't already provided the Joint Administrators with details of your claim, please do so at your earliest possible convenience using the proof of debt form at Appendix F.

If you have any queries regarding the fees estimate or need any assistance in completing the voting form, please contact Rebecca Kelly on +44 (0)20 7334 9191.

## Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

## Contact details

Contact: Rebecca Kelly  
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH  
Email: BRCMTLondonandSouthEast@bdo.co.uk  
Reference: 00419844

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# PROGRESS IN THE PERIOD

## Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period.

### Motor Vehicles

As previously reported, SIA Group had inspected and prepared desktop valuations of the Company's assets, in particular the bus fleet at the Bristol site. The Company's Directors agreed to a sale of the Company's bus fleet to a third party shortly prior to the Joint Administrators' appointment. There were discrepancies in the Company records between beneficial ownership and registration of the vehicles. We worked together with the Directors' to consider the correct ownership and the Company received a payment of £50,000 during the Period. There will be no further recoveries in respect of Motor Vehicles.

### Cash and cash equivalents

We have received £1.724m being the balance of funds held in the Company's pre-appointment bank accounts.

### Monies on account

Prior to our appointment, Ward Hadaway ('WH') provided legal advice to the Company in relation to employee matters. We understand that WH requested funds on account and at the date of appointment, held £9,800 in their client account.

Shortly after appointment, WH took instructions to settle their fees and an Employment Tribunal claim, which reduced the funds held to £1,230. These funds were received during the Period.

We previously reported that one of the Company's former landlords held a security deposit in relation to one of the Company's leased premises in the amount of £7,265. These funds were utilised by the landlord against arrears and, as such, no recovery is possible.

### Leasehold interest in properties

As reported, the Company was the lessee of eleven premises which were previously occupied by various subsidiaries of the Group. A desktop valuation obtained from SIA Group stated that none of the Company's leaseholds held any premium value. Additionally a second opinion was sought from Hilco Global in respect of one of the properties and confirmed this lease had no premium value.

The Joint Administrators have worked together with all landlords and have dealt with eight of the properties by way of assignment, surrender or termination of a licence.

There are certain matters yet to be resolved in relation to three of the properties but we are working together with the landlords to surrender or assign the leases accordingly.

### Escrow funds

As previously reported, the Company is entitled to deferred consideration of £1m from the pre appointment transaction with Kelsian UK Limited in relation to its shares in CT Plus Jersey Limited and its membership interest in CT Plus Guernsey Limited. Full details of this transaction were included within the Joint Administrators Proposals report.

The deferred consideration is payable 18 months after the completion of the sale transaction, being 20 February 2024. Following post appointment legal advice, we understand that these funds do not form part of the Company's estate. Upon completion of the deferred consideration period, these funds will be paid directly to BISI in accordance with the terms of the sale and escrow agreements. However, the Company remains party to the escrow agreement. We are seeking further advice from Gateley regarding the Company's post completion obligations.

### **Trade debtors**

According to the Company's books and records, trade debtors total c£44k. We are continuing to pursue recovery. It is anticipated that £35k may be recoverable.

### **Fuel deposit**

Pursuant to an agreement with one of the Group's main fuel providers, the Company agreed to pay a fuel deposit as security under its obligations to a supply contract.

We understand that the Group paid a total security deposit in the amount of c£250k. The fuel provider requested an offset of outstanding invoices totalling £99.8k. The Joint Administrators have contested this and requested supporting documentation for the deliveries of fuel. We have determined that one of the invoices plus interest may be offset, totalling £64.9k and £1.7k respectively. The sum of c£183k was received after the end of the Period and, as such, is not reflected in the Receipts & Payments account. These funds will be apportioned between the Company and HCT CIC, the split of which has yet to be determined.

### **Insurance refunds**

The Joint Administrators' insurers have advised that there may be insurance premium refunds available to the Company. Given the nature of the business, the Company had a number of pre appointment insurance policies. The Joint Administrators understand that there are refunds due to the Company of £66k that have been requested by our insurance brokers. These funds may be subject to dispute/offset and we continue to liaise in this regard.

In addition, the Joint Administrators understand that there could be a premium due to the Company in respect of the Company's motor fleet insurance policy. We continue to liaise with our insurers to ascertain whether any such refunds are available in the Administration.

### **Insurance claims fund**

The Company held a claims fund bank account with its pre-appointment insurance provider with a balance of c£52k, which we understand is payable to the Company as at the date of our appointment.

In this regard, the Joint Administrators are currently pursuing the recovery of this claims fund.

### **Intercompany debts**

The Company's records indicate that the book value of intercompany debts owed to the Company total £2,732,958. Whilst the Joint Administrators' have not completed a reconciliation of these amounts, creditors should note that the majority of the entities within the Group are either already subject to, or soon highly likely to become subject to, formal insolvency processes.

In this regard, it appears that recovery of any intercompany debt will be dependent on any distributions made from the insolvency processes of related entities. Recoveries are currently anticipated to be minimal, if any.

### **HMRC - VAT**

As previously reported, the Joint Administrators assisted the Company's accounts team to bring the Group's pre-appointment VAT records up to date and submit the relevant claims to HMRC. The Company's records indicate that c£67k of VAT may be recoverable from HMRC in respect of its pre-appointment VAT returns. Furthermore, the Company was the representative member of the HCT VAT group and, as such, any VAT group refunds will likely be paid back to the Company. Further, we are working with our tax team and HMRC to confirm the quantum of any return due to the Company.

However, the Company also has arrears of PAYE due to HMRC totalling some c£487k. Consequently, any VAT refund due to the Company will likely be subject to offset.

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## Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and conduct of the directors. With respect to the investigation into the conduct of the directors, the Joint Administrators must submit a confidential statutory report to the disqualification unit of the Department for Business, Energy & Industrial Strategy. We can confirm that this report has been submitted.

## Distributions to creditors

### Secured creditor(s)

#### BISI (as Security Agent)

BISI act as Security Agent in respect of the Lender Group who have provided debt totalling c£10.4m to the Group. Upon Administration, the liability to the Lender Group was £8.889m.

We understand the Lender Group holds security and cross guarantees over the following Group entities:

- HCT Group (In Administration)
- HCT Group Operations Community Interest Company (In Administration)
- CT Plus (Yorkshire) Community Interest Company (In Administration)

The final level of liability secured against the assets of the Company is yet to be determined. This is subject to recoveries to the Lender Group from the other entities (also in administration) stated above.

Details of the security held by the Lender Group is as follows:

Charge Holder	Type of Security	Date of Creation	Date Registered
BISI (as Security Agent)	Fixed and floating charge	31 March 2015	31 March 2015
BISI (as Security Agent)	Fixed and floating charge	12 June 2018	26 June 2018
BISI (as Security Agent)	Fixed and floating charge	24 June 2022	28 June 2022

In the event that the preferential creditor claims are not materially higher than the estimate, we anticipate that the recovery of the Company' floating assets may also allow for a distribution to the QFCH. However, the quantum and timing are currently uncertain.

### HSBC

HSBC holds two fixed and floating charges, created on 23 June 2015 and 1 June 2021 and registered at Companies House on 26 June 2015 and 3 June 2021 respectively, over all of the assets of the Company together with cross guarantees in respect of other entities in the Group. There was no balance outstanding to HSBC upon appointment.

### Preferential creditors

Whilst the final quantum of preferential employee claims is yet to be determined, as detailed in the return to creditors section of the Report, it is anticipated that a dividend will be paid to preferential creditors. We are working together with ERA to agree preferential claims and anticipate being in a position to declare and pay a first distribution to preferential creditors in 3-6 months.

ERA is engaged to assist all former employees with the claims process and are in the process of agreeing preferential claims.

## Secondary preferential creditors

HMRC is yet to confirm its final claim in the Administration. The Company's records indicate that HMRC was owed c£487k in relation to unpaid PAYE and NIC as at the date of Administration.

Any VAT refund due to the Company for the pre-appointment period may be offset by HMRC against the amount owed and therefore may reduce HMRC's claim against the Company. However, this is yet to be determined.

As detailed in the return to creditors section of the Report, it is anticipated that a dividend will be paid to secondary preferential creditors. However, the timing of any dividend is currently uncertain and dependent on the final level of claims received, as well as the final level of asset realisations achieved.

## Prescribed Part

At the date of appointment, the Company had five outstanding floating charges, as detailed above.

There will only be a distribution to unsecured creditors via the Prescribed Part if there are sufficient realisations to enable preferential creditors and secondary preferential creditors to be paid in full. As detailed above, the ability to pay the secondary preferential creditors in full is contingent upon the quantum of the final agreed claim of HMRC.

## Unsecured creditors

As detailed in the return to creditors section of the Report, it is anticipated that a dividend will be paid to unsecured creditors via the Prescribed Part only, however this is dependent on the level of asset realisations achieved and finalisation of preferential claims.

## Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Administrators in this Administration. We have also dealt with the following matters which should be noted;

### Records

We have encountered issues accessing Company systems/records. This has provided a number of challenges in determining the recoverability of a number of assets and facilitating a timely investigation into the affairs of the Company.

### Employees and pensions

Time costs have also been incurred in collating and confirming the employment status of all employees, due to a number of pre-appointment transactions and transfers of staff. This ensured that the specific transferring employees and their associated obligations were correctly transferred to third parties, thereby minimising preferential claims to the estate.

We have also been working with Standard Life regarding unpaid pension contributions, overpayments of pension contributions where employees had opted out and also one central Group pension scheme.

## Pre-Administration costs

The Proposals detailed unpaid pre-Administration costs of £23,877. Approval is being requested from the secured creditor and preferential creditors for the payment of the pre-Administration costs.

The charge out rates for the pre-appointment fees are the same as for the Joint Administrators' remuneration detailed at Appendix D. These rates are discounted and have been discussed and agreed with BISL.

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## **Joint Administrators' remuneration**

In the Proposals it was proposed that the remuneration of the Joint Administrators be approved on a time costs basis.

During the Period, time costs of £336,833 (based on standard BDO hourly rates) were incurred over 802 hours at an average rate of £420 per hour. This equates to £208,205.35 at the discounted rates.

A detailed report of the time incurred by the Joint Administrators and a narrative of the work done during the Period is attached in Appendix D.

## **Joint Administrators' expenses**

The expenses including professional fees and expenses which the Joint Administrators estimate will be incurred in the Administration are detailed in the expenses estimate attached at Appendix E.

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred in the Administration is set out in Appendix E.

## **Approval of pre-Administration costs, Joint Administrators' remuneration and category 2 expenses**

It is proposed that the remuneration of the Joint Administrators is approved on a time costs basis in accordance with the Fees Estimate totalling £229,436 (discounted rates attached at Appendix D).

As the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of the Prescribed Part, approval of the payment of the unpaid pre-Administration costs, the basis of the remuneration of the Joint Administrators and the above expenses ('category 2 expenses') be drawn from the Administration estate will be sought from the secured charge holder(s) and from the preferential creditors. We will be writing to preferential and secured creditors in this regard shortly.

If a creditors' committee is established, it will be for a role of the creditors' committee to approve the above.

# FUTURE ACTIONS

## Extension of the Administration

The Administration is due to end on 23 September 2023. In order to conclude the affairs of the Company, including realise the outstanding assets, obtain the necessary tax clearances and pay any relevant distributions to creditors we anticipate that the period of Administration will need to be extended by a further 12 months.

Approval will be sought separately from the secured creditor and preferential creditors.

## Joint Administrators' discharge from liability

Approval will be sought prior to closure from the secured creditor and preferential creditors that the Joint Administrators be discharged from liability on the registration of the notice to move from Administration and the final progress report with the registrar of companies.

## Remaining matters

The Joint Administrators will continue to:

- ▶ Realise the trade debtors, insurance refunds and other assets.
  - ▶ Liaise with the landlords of the leasehold premises regarding the assignment or termination arrangements for the remaining leases.
  - ▶ Manage enquiries regarding the Company, along with liaising with creditors regarding their claims.
  - ▶ Complete their investigations into the Company's affairs to establish if there are any actions to be pursued for the benefit of the Administration estate.
  - ▶ Obtain the necessary tax clearances.
  - ▶ Distribute any surplus assets available to creditors in accordance with their priority.
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# APPENDIX A

## STATUTORY INFORMATION

### Information

Company name	HCT Group
Company registration number	01747483
Registered office	c/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	The High Court of Justice, The Business and Property Courts in Leeds - 000717
Date of appointment	23 September 2022
Appointor	The Directors pursuant to Paragraph 22 of Sch.B1 to the Act
Joint Administrators	<p>Mark Thornton</p> <p>Neville Side</p> <p>Martha Thompson</p> <p><i>Under the provisions of paragraph 100(2) of Sch.B1 to the Act the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by all of them.</i></p>
Joint Administrators' address	c/o BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Data Control and GDPR	<p>Mark Thornton, Neville Side and Martha Thompson are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of HCT Group. Please see the privacy statement at <a href="https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies">https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies</a></p>

# APPENDIX B

## CREDITORS' RIGHTS

Within 21 days of receipt of the Report (1) a secured creditor, (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of the court, may request in writing that the Joint Administrators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Administrators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
- the Joint Administrators are subject to confidentiality obligations in respect of the information.

The Joint Administrators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred by the Joint Administrators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Administrators' Fees' and information on the rights, duties and functions of a creditors' committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Administration. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

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# APPENDIX C

## RECEIPTS AND PAYMENTS ACCOUNT

**HCT Group  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs £	From 23/09/2022 To 22/03/2023 £	From 23/09/2022 To 22/03/2023 £
TRADING EXPENSES		
Wages	15,491.67	15,491.67
	(15,491.67)	(15,491.67)
TRADING SURPLUS/(DEFICIT)	(15,491.67)	(15,491.67)

**HCT Group**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 23/09/2022 To 22/03/2023 £	From 23/09/2022 To 22/03/2023 £
	<b>ASSET REALISATIONS</b>		
Uncertain	Modular Building	NIL	NIL
Uncertain	Fixtures & Fittings	NIL	NIL
Uncertain	Motor Vehicles	50,000.00	50,000.00
Uncertain	Intercompany Debtors	NIL	NIL
Uncertain	Gallagher Basset Claims Fund	NIL	NIL
Uncertain	VAT Refund	NIL	NIL
Uncertain	Insurance Prepayment	NIL	NIL
1,716,606.00	Cash and cash equivalents	1,724,138.44	1,724,138.44
Uncertain	HSBC Letter of Credit	NIL	NIL
	Interest Gross	4,712.20	4,712.20
Uncertain	Trade debtors	NIL	NIL
	Trading Surplus/(Deficit)	(15,491.67)	(15,491.67)
Uncertain	Prepayments	NIL	NIL
Uncertain	Other debtors	NIL	NIL
Uncertain	Deferred Consideration	NIL	NIL
Uncertain	Deposits	1,230.00	1,230.00
		<u>1,764,588.97</u>	<u>1,764,588.97</u>
	<b>COST OF REALISATIONS</b>		
	Escrow account fees	2,500.00	2,500.00
	Agents' Fees & Expenses	15,942.00	15,942.00
	Storage Costs	4,142.36	4,142.36
		<u>(22,584.36)</u>	<u>(22,584.36)</u>
<u>1,716,606.00</u>		<u>1,742,004.61</u>	<u>1,742,004.61</u>
	<b>REPRESENTED BY</b>		
	Input VAT		4,030.80
	Floating Current Account		1,747,973.81
	Output VAT		(10,000.00)
			<u>1,742,004.61</u>

# APPENDIX D

## JOINT ADMINISTRATORS' REMUNERATION

Time costs of £336,833 (£208,203.35 at discounted rates) have been incurred during the Period and a breakdown is detailed below together with details of the work undertaken.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Steps on appointment	0.50	4.75	14.35	2.75	37.05	49.30	108.70	28,496.35	262.16
Planning and strategy	6.75	6.90	28.20	0.70	21.65	3.80	68.00	34,613.25	509.02
Statutory reporting and decisions	15.55		30.00	3.55	28.55	4.15	81.80	41,285.00	504.71
General administration	1.40	1.90	17.25	9.95	59.10	45.20	134.80	35,955.65	266.73
Assets	8.55	11.30	105.55	0.50	54.00	2.70	182.60	98,041.90	536.92
Investigations	1.80		11.20		22.25	2.10	37.35	15,732.45	421.22
Employees and pensions	2.65	3.70	55.30	6.20	13.30	11.95	93.10	48,021.80	515.81
Creditors	8.30		10.25	1.35	13.05	25.80	58.75	18,744.25	319.05
Post appointment taxation			21.35		3.00	12.90	37.25	15,942.25	427.98
<b>TOTAL</b>	<b>45.50</b>	<b>28.55</b>	<b>293.45</b>	<b>25.00</b>	<b>251.95</b>	<b>157.90</b>	<b>802.35</b>	<b>336,832.90</b>	<b>419.81</b>

The current charge out rates per hour of staff within the firm who may be involved in working on the Administration are as follows:

Grade	Full Rates £	Discounted Rates £
Partner	690-920	470
Managing Director	676	470
Associate Director	482-563	384
Senior Manager	241-643	329
Manager	235-470	150-329
Senior Executive	211-328	120-279
Executive	86-173	73-147
BDO LLP tax department (max)	1208	1208

## Steps on appointment

- Case set up
- Initial statutory notifications and advertisements
- Initial correspondence with Directors with requests for information and statement of affairs
- Information gathering
- Collection of the Company's books and records and any storage requirements
- Liaising with the Company's former professional advisors and bankers
- Taking steps to identify, gather in and protect assets
- Initial meetings/discussions with Directors
- Attending the business premises
- Instructing solicitors to review validity of appointment
- Attending employee redundancy briefings
- Arrangement of adequate insurance policies
- Collection of cash balances

## Planning and strategy

- Case reviews
- Internal meetings and discussions
- Preparation and review of strategy documents including estimated outcome statements

## Statutory reporting and decisions

- Preparation of the Joint Administrators' proposals
- Obtaining approval of the Joint Administrators' proposals
- Preparation of the fees and expenses estimate
- Filing statutory documents at Companies House

## General administration

- Setting up and ongoing maintenance and reconciliation of the Company bank account and other cashiering functions
- Dealing with queries from creditors and other stakeholders
- Monitoring incoming mail and emails
- Liaising with Local Authorities regarding the transfer of routes and certain employees to alternative providers
- Ongoing maintenance of case files
- Ongoing maintenance of case diary
- General ad-hoc matters not categorised elsewhere

## Assets

- Arranging and monitoring of insurance of the Company's assets
- Continued monitoring of security arrangements

- Liaising with landlords and agents regarding ongoing occupation of company premises and vacation of sites
- Reconciliation of vehicle fleet lists
- Liaising with agents regarding valuation of assets, marketing and sale of assets, return of assets subject to finance agreements and leases
- Liaising with former staff of the Company regarding the reconciliation of the Group's VAT position and preparing correspondence for the remittance of the appointment due to the Company to the Administration account
- Liaising with HSBC regarding the remittance of credit balances held in the Company's bank accounts to the Administration bank account
- Review and pursuit of the Company's debtor ledger
- The pursuit of any other assets, including the fuel security deposit and any insurance refunds that are payable to the Company
- Insurance matters relating to the Company's properties and insurance policies

## **Investigations**

- Review work pursuant to the Statement of Insolvency Practice 2 including review of the Company's bank statements, books and records and the creditors' and directors' questionnaires
- Submission on the actions of the directors to the disqualification unit of the Department for Business, Energy and Industrial Strategy

## **Employees and pensions**

- Meeting and corresponding with employees
- Liaising with ERA regarding ERA matters and collation of information
- Dealing with employee tribunal issues
- Notification to the Pensions Regulator
- Liaising with scheme managers and the Pensions Protection Fund
- Liaising with the Pension Scheme provider regarding the Company's element of the group pension scheme

## **Creditors**

- Liaising with secured creditors
- Obtaining legal advice on the validity of security
- Obtaining legal advice in relation to contentious claims
- Processing of creditors' claim forms and entering onto IPS
- Identifying whether additional supporting evidence is required
- Dealing with creditor enquiries

## **Post appointment taxation**

- Considering the position of the VAT Group registration and the impact on recoveries with HMRC
- Liaising with BDO LLP's VAT department on the ability to reclaim VAT for the Company

## Cumulative time incurred to fees estimate comparison

Total time costs at standard rates of £336,833 have been incurred over the course of the Administration to 22 March 2023 as detailed below.

Our initial fees estimate, totalling £195,642.20 was included in my report to creditors dated 16 November 2022 and was based on the information available at the time. Since my report, a number of matters have arisen including queries from HMRC regarding pre appointment VAT returns and employee queries, alongside ongoing challenges associated with accessing necessary information which have led to more time being incurred. We are seeking to revise our initial fees estimate and this information is attached at Appendix G.

Activity	Estimated Time Costs - Discounted Rates			Total Incurred - Standard Rates			Total Incurred - Discounted Rates		
	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £
Steps on appointment	66.50	267.88	17,813.70	108.70	262.16	28,496.35	108.70	207.69	22,575.45
Planning and strategy	62.70	331.71	20,798.50	68.00	509.02	34,613.25	68.00	296.95	20,192.90
Statutory reporting and decisions	99.70	269.29	26,848.50	81.80	504.71	41,285.00	81.80	291.05	23,808.10
General administration	91.75	250.57	22,989.70	134.80	266.73	35,955.65	134.80	207.22	27,932.65
Assets	153.25	316.77	48,544.65	182.60	536.92	98,041.90	182.60	294.31	53,741.05
Investigations	46.65	284.26	13,260.85	37.35	421.22	15,732.45	37.35	230.83	8,621.60
Employees and pensions	74.70	312.47	23,341.30	93.10	515.81	48,021.80	93.10	294.35	27,404.20
Creditors	47.35	232.57	11,012.15	58.75	319.05	18,744.25	58.75	242.25	14,232.05
Post appointment taxation	11.15	303.66	3,385.85	37.25	427.98	15,942.25	37.25	260.28	9,695.35
Closure	31.00	246.68	7,647.00	-	-	-	-	-	-
<b>TOTAL</b>	<b>684.75</b>	<b>285.71</b>	<b>195,642.20</b>	<b>802.35</b>	<b>419.81</b>	<b>336,832.90</b>	<b>802.35</b>	<b>259.49</b>	<b>208,203.35</b>

The Joint Administrators have not drawn any remuneration to date.

# APPENDIX E

## JOINT ADMINISTRATORS' EXPENSES

The Joint Administrators' expenses incurred and paid are detailed below.

	Estimated £	Incurred in Period 23/09/2022 to 22/03/2023 £	Total Incurred 23/09/2022 to 22/03/2023 £	Total Paid 23/09/2022 to 22/03/2023 £
Category 1				
Escrow account fees	-	2,500.00	2,500.00	2,500.00
<sup>1</sup> Agents' Fees & Expenses - Hilco Global	1,250.00	1,250.00	1,250.00	1,250.00
<sup>2</sup> Agents' Fees & Expenses - SIA	c10,369.00	12,862.00	12,862.00	12,862.00
<sup>3</sup> Agents' Fees & Expenses - ERA	1,554.00	1,830.00	1,830.00	1,830.00
<sup>4</sup> Legal Fees & Expenses	30,000.00	14,500.00	14,500.00	-
Storage Costs	8,000.00	4,142.36	4,142.36	4,142.36
Wages & Salaries	-	15,491.67	15,491.67	15,491.67
Bonding	200.00	133.34	133.34	-
Printing and Postage	500.00	574.30	574.30	-
Statutory Advertising	190.00	95.00	95.00	-
Category 2				
Mileage	100.00	1.98	1.98	-

- Hilco Global has been instructed to provide an independent valuation of one of the Company's leasehold interests and assisted with initial discussions with the interested parties. Hilco were selected due to their knowledge and expertise and incurred costs of £1,250.
- SIA has been instructed to assist with the following matters:
  - Provide a letter of reliance in relation to the valuation they provided pre appointment to the Company.
  - Secure assets and trading premises following the Administration appointment and arrangement of ongoing security surveillance.
  - Reconcile vehicles to fleet list and fixed asset registers
  - Secure vehicle registration documents
  - Transportation of vehicles and consolidation of fleet at the Bristol and Ash Grove depots
  - Arranging the sale of fuel stock and sale and decommissioning of fuel tanks
  - Ongoing advice in respect of health and safety matters
  - Conduct a sale of Company assets
  - Arrange the return of financed assets and assets owned by third parties
  - Liaise with Landlords regarding ongoing access to trading premises
  - Arrange access to allow collection of books and records

- Arrange sites to be vacated in a clean and orderly manner for return to landlords

SIA were selected due to their knowledge and expertise and received a sum of £12,862 during the Period.

3. ERA has been instructed due to their expertise in this area to undertake the following work:

- Liaise with the Company personnel to obtain employee information.
- Provide employees with the relevant forms, guidance notes and booklet.
- Calculate terminate claims for TUPER.
- Liaise with employees regarding any queries they may have relating to their employment.
- Liaise with the Insolvency Service regarding employee claims and providing all the statutory information necessary.
- Liaise with the Benefit Agencies, mortgage, insurance and credit providers.
- Deal with pre-appointment tribunal cases and assisting on post appointment cases.
- Provide dividend calculations, and
- Deal with queries from HMRC.

ERA received a sum of £1,830 during the Period.

4. Gateley have been instructed to undertake the following work:

- Review the validity of the Administration appointment
- Advise on occupation rights of the Company's trading premises during administration
- Review the validity of security over the Company's assets
- Other ad-hoc legal advice as required.

The other expenses shown are self-explanatory.

# APPENDIX F

## PROOF OF DEBT FORM

# PROOF OF DEBT FORM

**HCT Group - In Administration ('the Company')**

**Company registration number: 01747483**

**Date the Company entered Administration: 23 September 2022**

**Name of Creditor**

*(If a company please also give company registration number and where registered)*

**Address of Creditor**

*including email address for correspondence*

**Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the Company entered Administration. £**

*Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the Company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of Administration, this should be deducted.*

**If amount in 3 above includes outstanding uncapitalised interest please state amount. £**

**Particulars of how and when debt incurred**

*(If you need more space append a continuation sheet to this form).*

**Particulars of any security held, the value of the security, and the date it was given.**

**Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.**

**Details of attached documents by reference to which the debt can be substantiated.**

**Signature of creditor**

**or person authorised to act on his behalf**

**Name (BLOCK CAPITALS)**

**Dated**

**Position with or in relation to creditor**

**Address of person signing**

*(if different from 2 above)*

Please complete and return this form to Rebecca Kelly, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk).

## APPENDIX G

### REVISED FEES ESTIMATE

The Joint Administrators' revised fees estimate, totalling £229,436.35 is detailed below together with details of the additional work undertaken or is proposed to be undertaken.

Activity	Estimated Time Costs - Discounted Rates			Additional time - Discounted Rates			Revised fee estimate - Discounted Rates		
	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £
Steps on appointment	66.50	267.88	17,813.70	22.05	207.95	4,585.35	88.55	252.95	22,399.05
Planning and strategy	62.70	331.71	20,798.50	0.70	315.21	220.65	63.40	331.53	21,019.15
Statutory reporting and decisions	99.70	269.29	26,848.50	7.55	254.11	1,918.55	107.25	268.22	28,767.05
General administration	91.75	250.57	22,989.70	32.90	208.87	6,871.70	124.65	239.56	29,861.40
Assets	153.25	316.77	48,544.65	47.60	288.85	13,749.25	200.85	310.15	62,293.90
Investigations	46.65	284.26	13,260.85	4.85	215.33	1,044.35	51.50	277.77	14,305.20
Employees and pensions	74.70	312.47	23,341.30	10.80	296.96	3,207.15	85.50	310.51	26,548.45
Creditors	47.35	232.57	11,012.15	2.65	196.06	519.55	50.00	230.63	11,531.70
Post appointment taxation	11.15	303.66	3,385.85	6.50	258.09	1,677.60	17.65	286.88	5,063.45
Closure	31.00	246.68	7,647.00	-	-	-	31.00	246.68	7,647.00
<b>TOTAL</b>	<b>684.75</b>	<b>285.71</b>	<b>195,642.20</b>	<b>135.60</b>	<b>249.22</b>	<b>33,794.15</b>	<b>820.35</b>	<b>279.68</b>	<b>229,436.35</b>

#### Steps on appointment

- Collection and inventory of additional records (1,000 boxes) of the Company. These are required to be retained by the Joint Administrators.

#### General administration

- The Company's systems were deactivated shortly after our appointment, including Sage and the electronic records. This has incurred a delay in access to company records, including electronic records and protracted emails with the providers in order to obtain access.
- VAT reclaim and dealing with the Group registration

#### Asset realisation/dealing

- Correspondence with HMRC in January 2023 requesting supporting documentation in respect of a pre appointment reclaim
- Correspondence with third parties to obtain sufficient evidence to confirm pre appointment VAT reclaim
- Fuel reclaim and correspondence to contest the additional offset position

- Additional queries in respect of pre appointment insurance claims with all insurance policies in the Company name
- Letters of credit with HSBC Bank plc

### **Employee matters**

- Additional employee enquiries, not anticipated at the outset of the Administration and ensuring that these are dealt with quickly.
- Pension providers requesting answers and supporting documentation in respect of discrepancies in the Company's pre appointment submissions for pension contributions.
- Advised during the period that the Company made overpayments into the pension scheme where those employees had opted out.

The current charge out rates are detailed in Appendix D.

Approval for the Joint Administrators' remuneration will be sought separately from secured and preferential creditors on a time costs basis in accordance with the Revised Fees Estimate.