

AM10

Notice of administrator's progress report



Companies House

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04/01/2020

#277

COMPANIES HOUSE

1 Company details

Company number 0 2 8 6 6 8 7 4

Company name in full Harvard Technology Limited

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Sarah

Surname O'Toole

3 Administrator's address

Building name/number 4 Hardman Square

Street Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

4 Administrator's name ①

Full forename(s) Christopher J

Surname Petts

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Rotterdam House

Street 116 Quayside

Post town Newcastle-Upon-Tyne

County/Region

Postcode N E 1 3 D Y

Country

② **Other administrator**
Use this section to tell us about
another administrator.

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6 Period of progress report

From date	^d 1	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 9	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

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

Notice of administrator's progress report



Presenter information

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

Contact name Richard J Jackson

Company name Grant Thornton UK LLP

Address 4 Hardman Square
Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

DX

Telephone 0161 953 6900



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Harvard Technology Limited - in administration (the Company)

Joint administrators' progress report for the period 10 June 2019 to 9 December 2019

Recovery and Reorganisation
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Prepared by: Sarah O'Toole, Joint Administrator

Contact details: Should you wish to discuss any matters in this report, please do not hesitate to contact Richard Jackson on 0161 953 6900

Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

Company	Harvard Technology Limited – in administration
CVL	Creditors' Voluntary Liquidation
ERA	ERA Solutions Limited
HMRC	HM Revenue & Customs
Joint administrators/we/us/our	Sarah O'Toole and Chris Petts
Hilco	Hilco Global
IP	Intellectual Property
Lucy Zodion	Lucy Zodion Limited
Period	The period 10 June 2019 to 9 December 2019
SIP9	Statement of Insolvency Practice 9: payments to office holders and their associates
SLA	Service Level Agreements
Shawbrook	Shawbrook Bank Limited
Squires	Squire Patton Boggs
VAT	Value added tax

1 Executive summary

- This progress report for the Company's administration covers the period from 10 June 2019 to 9 December 2019.
- Our proposals were approved on 14 February 2019 by deemed consent.
- The key work done in the period related to the sale of the residual stock, machinery and other items, the finalisation of the trading accounting and the settlement of other administration costs
- The return to the unsecured creditors is estimated to be 1p in the £ (see Section 3 – Dividend prospects).
- The administration is currently due to end on 9 December 2020. However, it is anticipated that matters will take circa six months to be completed and for a dividend to unsecured creditors be paid from the prescribed part only.
- As there will be insufficient funds to make a distribution to unsecured creditors other than by virtue of the prescribed part, we intended to exit the administration and move to dissolution.



Sarah O'Toole
Joint Administrator

3 January 2020

Please be aware fraudsters have been known to masquerade as legitimate administrators. Fraudsters will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend / to enable release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

2 Progress to date

2.1 Strategy and progress since our statement of proposals

As previously reported the joint administrators have pursued the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). This has been achieved following a successful sale of the OEM designs and the LeafNut businesses.

In addition, during the joint administrators short trading period a surplus of approximately £676,000 has been generated. Had the Company been placed into liquidation, the Company would have been immediately ceased trading and would not have achieved this result.

This report will only provide an update on the progress made during the Period and should therefore be read in conjunction with all previous reports, including the proposals dated 29 January 2019 and the joint administrators' progress report dated 27 June 2019.

As detailed in section 2.6 of the previous progress report, the remaining assets to realise were:

- completion of final stock sales;
- the collection of amounts due in relation to agreed P&M sales;
- realisations of the residual P&M; and
- the deferred consideration in respect of the LeafNut sale.

An update on the progress of the above is provided below.

2.2 Trading

During the Period, the joint administrators have finalised all SLA charge collections, resulting in further realisations of £62,000. Time has also been spent reconciling accounts, liaising with suppliers and finalising the costs of the joint administrators' trading period.

As reported above, the final trading surplus is £676,000 (comprising of the £306,032 shown in the sterling trading account at Appendix A plus foreign currency profits of \$36,505 and €369,149 which are included within the receipts and payments accounts as a net balance).

This outcome is an improvement of £32,000 compared to that previously reported following the successful collection of final trading balances and the settlement of trading costs at levels lower than those previously provided.

2.3 Realisation of assets

Stock

A small amount of stock was sold in the Period for £1,963 on 12 June 2019.

As at the end of the previous period, a sale of the remaining stock had been agreed with Venture Lighting but had not yet completed. The stock was held in storage for a short period until the sale completed on 12 July 2019 realising £62,478.

Plant and machinery

As previously reported, Hilco was engaged to assist the joint administrators with the disposal of the Company's P&M that had been excluded from the sales of the OEM and LeafNut business segment. Various sales via private treaty and online auctions have resulted in additional realisations in the sum of £709,849. This brings total realisations for the Company's P&M to £819,849.

This is lower than the previously expected total of £836,000 as a result of a material auction buyer failing to complete their purchase shortly following our last report.

Whilst the buyer's auction deposit of £50,000 was retained and the related items were re-listed in a further auction (and ultimately sold via auction and private treaty), the values realised were lower than the originally agreed sales prices.

Book debts

As previously detailed, book debts at appointment totalled £2.6 million.

Whilst the joint administrators' receipts and payments account does not reflect debtor realisations, as these have all been paid directly to Shawbrook who hold a fixed charge over book debts, the administration has continued to assist in debt collection in order to maximise realisations and reduce the amount payable to Shawbrook from other company assets.

Collections in the period totalled c£104,000, bring the total collections to in excess of £2 million.

Other asset realisations

In addition to the above, we have realised:

- Bank interest totalling £243 and \$847.
- A refund of insurance premiums in the sum of £5,439.
- £5,000 from Harvard Power Systems Limited as a contribution to property holding costs prior to the removal of the equipment purchased.
- £1,500 from Siemens Financial as a contribution to the costs of novating their contract with the Company to the business purchaser.

During the period we also repaid various balances (£23,084, €18,769 and \$28,781) which had been paid to the Company in error by Shawbrook and previously reported as miscellaneous receipts on the receipts and payments accounts. The Shawbrook loan to the administration of £250,000 was also repaid in the period.

Please note that the balances previously held in the Euro and US dollar account have now been transferred into sterling, providing a net receipt in the period of £368,962.

As such, a single consolidated Receipts and Payments Account is provided at Appendix A in sterling only.

2.4 Assets remaining to be realised

Leafnut Deferred consideration

As previously reported, under the terms of the Leafnut sale, a proportion of the difference between the Company's pre-administration quarterly service fees and that achieved by the purchaser in the six months following the purchase on a customer by customer basis is due to the Company.

The purchaser has advised that the sum of approximately £28,000 is due to the Company under this profit share agreement and the Joint Administrators have requested certain supporting information.

Once received and reviewed the Joint Administrators will confirm their agreement, or otherwise, to the calculation and the final consideration will be paid to the Company. A further update will be provided in the next report

There are no other assets left to realise.

3 Creditors

3.1 Secured creditors

The Company granted the following security:

Shawbrook

Shawbrook's secured debt at appointment totalled £2.8 million which included £1.6 million in relation to invoice discount advances against which the debtor receipts above have been paid.

Shawbrook has been repaid in full under its fixed and floating charge.

Loan note holders

As noted in our proposals the Company has provided guarantees and security in relation to £4.4 million due from the parent companies to the loan note holders. During the Period, a distribution of £400,000 was paid to the loan note holders.

A further final distribution will be paid once the remaining asset has been realised and the costs and preferential claims have been finalised.

3.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims will be subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

There were 193 employees at the date of appointment, all of whom have now been made redundant.

The estimated preferential claims are £108,000, which relates entirely to holiday pay as all arrears of wages were paid by the Company. Preferential creditors will be paid in full in due course.

3.3 Prescribed part – unsecured creditors

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

We calculate the prescribed part at £110,000 which would represent a 1p in the £ dividend to the unsecured creditors, based on the level of trade creditor claims received to date totalling approximately £10.2 million. This is subject to change and the final dividend rate will be dependant upon the total level of asset realisations and claims that are agreed.

3.4 Non-preferential unsecured creditors

We are currently reviewing the unsecured creditors' claims and anticipate paying a dividend payable from the prescribed part only within the next six months.

A claim form is available online for completion and submission through the Grant Thornton Insolvency Act portal. Unique passwords have been issued to each creditor.

4 Investigations into the affairs of the company

4.1 Statutory investigations

We undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Based on the outcome of our investigations into the affairs of the Company to date, there are no matters identified that need to be reported to the creditors. However, we would be pleased to receive from any creditor any useful information concerning the Company, its dealing or conduct which may assist us.

5 Fees and costs

5.1 Overview

Our remuneration is being charged on a time costs basis as agreed by the secured and preferential creditors.

We have incurred time costs and expenses in the period amounting to £76,150 and £87 bringing the cumulative totals at the period end to £733,842 and £8,025 of which £420,000 and £8,025 has been paid.

In addition to time costs and expenses incurred, we estimate an additional £25,000 in time costs to deal with the remaining matters identified in the assets and investigations sections above and to close the administration.

This brings our total estimated fees to £758,842 in comparison to our fees estimate totalling £724,949 which was supplied to creditors when we sought approval of our fee basis. At this time we do not seek to revise our fees estimate in order to be able to draw more remuneration.

Further details about remuneration and expenses are provided in Appendix B to this report.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- the finalisation of the Leafnut deferred consideration due to the Company;
- payment of administration expenses, including our final remuneration;
- agreeing the claims of the preferential and unsecured creditors and payment of dividends to each class of creditor;
- paying a final distribution to the loan note holders
- finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns and settlement of any liabilities, and
- complying with statutory and compliance obligations.

It is estimated that the administration will take approximately six months to be concluded.

6.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement, unless it is extended with the permission of the creditors or the Court.

The secured and preferential creditors approved a 12-month extension of the administration, which is currently due to end on 9 December 2020.

6.3 Exit from administration

It is expected that the administration will end by dissolution.

6.4 Discharge from liability

At the conclusion of the administration we require discharge from liability.

As there are insufficient funds to make a distribution to creditors other than by virtue of the prescribed part, we will seek a resolution from the secured and preferential creditors in order to obtain our discharge from liability.

6.5 Data Protection

Any personal information held by the company will continue to be processed for the purposes of the administration of the company and in accordance with the requirements of data protection.

6.6 Future reporting

The date of our next report to creditors is anticipated to be by 9 July 2020.

A Abstract of the administrators' receipts and payments

Trading accounts

Harvard Technology Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs £	From 10/06/2019 To 09/12/2019 £	From 10/12/2018 To 09/12/2019 £
POST APPOINTMENT SALES		
Sales	(3,073.73)	522,120.25
SLA charges	62,000.00	1,219,715.83
	58,926.27	1,741,836.08
PURCHASES		
Purchases (1)	NIL	17,043.97
Purchases - Proforma	(9,098.09)	69,514.95
Purchases - Duty fees and charges	382.45	655.66
	8,715.64	(87,214.58)
TRADING EXPENDITURE		
Duress payments	NIL	544.05
Rents	3,333.33	70,000.01
Rates	(1,283.08)	20,336.92
Heat & Light	4,126.69	48,289.97
Water rates	462.71	996.98
Telephone	15.17	1,709.62
Carriage	NIL	10,362.36
Supplier ransom payments	NIL	3,411.35
Professional fees	NIL	220.00
Contractor payments	NIL	45,211.64
Storage of records	NIL	243.72
Petty cash	975.81	NIL
Repairs & Maintenance	563.36	1,032.87
IT / Other software costs	4,202.62	10,414.56
Property Expenses	NIL	1,884.14
Vehicle Running Costs	NIL	1,297.31
LeafNut/EyeNut services	NIL	38,027.78
USA trading account	NIL	49,099.86
Other payroll costs	NIL	15,000.00
PAYE/NL	NIL	286,758.51
Net Wages	NIL	674,427.74
Other Payroll Deductions	NIL	47,171.97
ROT	397.86	22,147.86
	(12,794.47)	(1,348,589.22)
TRADING SURPLUS/(DEFICIT)	54,847.44	306,032.28

Harvard Technology Limited USD Dummy Account

Joint Administrators' Trading Account

Statement of Affairs USD	From 10/06/2019 To 09/12/2019 USD	From 10/12/2018 To 09/12/2019 USD
POST APPOINTMENT SALES		
Sales	6,385.83	93,720.09
	<u>6,385.83</u>	<u>93,720.09</u>
PURCHASES		
Purchases (1)	NIL	5,201.05
Purchases (2) - Proforma	(1,146.03)	24,855.40
Purchases (3)	NIL	740.00
	<u>1,146.03</u>	<u>(30,796.45)</u>
TRADING EXPENDITURE		
Ransom payments	NIL	4,029.00
ROT	20,000.00	22,389.92
	<u>(20,000.00)</u>	<u>(26,418.92)</u>
TRADING SURPLUS/(DEFICIT)	<u>(12,468.14)</u>	<u>36,504.72</u>

Harvard Technology Limited EUR Dummy Account

Joint Administrators' Trading Account

Statement of Affairs €	From 10/06/2019 To 09/12/2019 €	From 10/12/2018 To 09/12/2019 €
POST APPOINTMENT SALES		
Sales	5,294.90	381,719.90
	<u>5,294.90</u>	<u>381,719.90</u>
PURCHASES		
Purchases (1)	NIL	2,314.50
Purchases - Proforma	(635.67)	6,755.16
	<u>635.67</u>	<u>(9,069.66)</u>
TRADING EXPENDITURE		
Net Wages	NIL	2,815.00
ROT	NIL	686.36
	<u>NIL</u>	<u>(3,501.36)</u>
TRADING SURPLUS/(DEFICIT)	<u>5,930.57</u>	<u>369,148.88</u>

Consolidated Receipts and Payments Account

Harvard Technology Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 10/06/2019 To 09/12/2019 £	From 10/12/2018 To 09/12/2019 £
	SECURED ASSETS	
	Fixed assets Plant & Machinery	704,848.50
	Intellectual Property	NIL
1,900,000.00	Book Debts	NIL
	Seller's Records	1.00
800,000.00	Plant & Machinery	25,000.00
	709,848.50	1,458,349.50
	COSTS OF REALISATION	
	Agents/Valuers Fees	47,578.00
	(47,578.00)	(47,578.00)
	SECURED CREDITORS	
	Chargeholder (1)	970,376.07
(1,827,094.00)	Shawbrook TL & Debtor Facility	NIL
	Chargeholder (3)	400,000.00
	(1,370,376.07)	(1,370,376.07)
	ASSET REALISATIONS	
	Bank/ISA InterestGross	242.69
	Contribution to costs	1,500.00
	Insurance Refund	5,439.36
	IT equipment	NIL
	Misc Float Receipts	(23,084.40)
	Misc Refunds	NIL
100,000.00	Other	5,000.00
50,000.00	Other Fixed Assets	NIL
	Petty cash	975.81
400,000.00	Research & Development, IP	NIL
	Shawbrook Drawdown	(250,000.00)
(978,471.00)	Shawbrook IN Facility	NIL
500,000.00	Stock	64,441.27
	Trading Surplus/(Deficit)	54,847.44
	VAT Refund	NIL
	(140,637.83)	631,420.17
	COST OF REALISATIONS	
	Administrators Expenses	8,025.13
	Administrators Fees	420,000.00
	Bank Charges	NIL
	Carriage	NIL
	Insurance of Assets	26,541.88
	IT / software costs	NIL
	Legal Fees (1)	73,014.16
	Net wages	NIL
	Other payroll costs	NIL
	Other payroll deductions	NIL
	Other Property Expenses	1,258.64
	Other utilities	6,968.46
	PAYE/NIL	NIL
	Pre-appointment Expenses	2,327.00
	Pre-appointment Fees	60,000.00
	Professional Fees	70,000.00
	Rates	(1,283.09)
	Re-Direction of Mail	NIL
	Rents Payable	16,666.67

Harvard Technology Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 10/06/2019 To 09/12/2019 £	From 10/12/2018 To 09/12/2019 £
Stationery & Postage	86.40	86.40
Statutory Advertising	NIL	71.15
Telephone Telex & Fax	121.36	121.36
Transfer of Accounts	(368,962.37)	(375,646.91)
VAT irrecoverable	450.00	1,718.10
	<u>(315,214.24)</u>	<u>(333,160.76)</u>
944,435.00	<u>(1,163,957.64)</u>	<u>338,654.84</u>
REPRESENTED BY		
Floating Current Account		324,672.12
HMRC - VAT received/paid		407,989.30
VAT on Purchases		86,588.62
VAT on Sales		<u>(480,595.20)</u>
		<u>338,654.84</u>

Harvard Technology Limited – In Administration

B - Payments, remuneration and expenses to the joint administrators or their associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

On 18 October 2019, the secured and preferential creditors approved payment of pre-administration fees totalling £60,000 and pre-administration expenses totalling £2,327 (as disclosed in the joint administrators' statement of proposals) to Grant Thornton UK LLP from the estate. These costs have been settled in the period.

Post-appointment costs

Fee basis of the joint administrators

On 18 October 2019, the secured and preferential creditors resolved that the joint administrators' remuneration be fixed according to the time properly spent by the joint administrators and their staff and that remuneration be drawn from:

- a. fixed and floating charge realisations, to be capped at £460,000 plus VAT
- b. the prescribed part, to be uncapped but estimated at £25,000 plus VAT

During the period from 10 June 2019 to 9 December 2019 (the Period) time costs were incurred totalling £76,150 represented by 221 hrs at an average of £345/hr (as shown in the 'Work done' section below). This brings cumulative time costs at the Period end to £733,842 of which £420,000 has been paid. Description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, cumulative recorded time costs have exceeded the time costs in the fees estimate and expenses are roughly the same, both of which were provided to the creditors prior to the determination of our fee basis.

The reasons for the excess are as follows:

- Time costs incurred liaising with the secured and preferential creditors have been higher than we anticipated when we originally provided our fee estimate, principally as a result of the volume of employee tribunal claims, delays in processing preferential claims by the Redundancy Payment Service and the resultant need to extend the administration

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £724,949, without approval. We do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Work done by the joint administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our letter to creditors dated 27 June 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the joint administrators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any anticipated excess of the fees estimate are included in the 'Fee basis' section above. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	7 hrs	£3,395	£/hr485
Trading						
Trading general	<ul style="list-style-type: none"> Finalising trading matters 	<ul style="list-style-type: none"> To establish the outcome of the administration trading period 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process 	7 hrs	£3,395	£/hr485
Assets						
Debtors	<ul style="list-style-type: none"> Pursuing customers regarding outstanding debts 	<ul style="list-style-type: none"> To ensure book debt realisations are maximised 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available 	7 hrs	£3106	£/hr457
Stock & WIP	<ul style="list-style-type: none"> Liaising with purchasers of stock 	<ul style="list-style-type: none"> To ensure all matters regarding the sale of stock are finalised 	<ul style="list-style-type: none"> This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Sale of business	<ul style="list-style-type: none"> Finalising costs 	<ul style="list-style-type: none"> To ensure all costs are finalised 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process 			
General	<ul style="list-style-type: none"> Reviewing sale documents 	<ul style="list-style-type: none"> To ensure all outstanding matters are finalised 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process 			
Creditors				132 hrs	£47,380	£/hr360

Secured	<ul style="list-style-type: none"> • Reports regarding the progress of the administration with Shawbrook and loan note holders • Responding to queries following the report to secured creditors • Revising estimated outcome statement for secured creditors • Obtaining fee approval from secured creditors 	<ul style="list-style-type: none"> • To keep all secure creditors updated regarding the administration of the company • To allow the administrators to draw our fee for the administration 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Employees & pensions	<ul style="list-style-type: none"> • Responding to correspondence regarding employment tribunals and protective awards • Logging votes from preferential creditors to obtain fee approval • Updating employees details and reconciling employee claims to the information provided by the Redundancy Payments Office • Dealing with queries from employees regarding their claims 	<ul style="list-style-type: none"> • To ensure employees claims for arrears of holiday pay, wages and redundancy are recorded accurately • To ensure protective awards are processed correctly • To allow the administrators to draw our fee for the administration 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Unsecured	<ul style="list-style-type: none"> • Dealing with creditor queries • Reviewing report to creditors 	<ul style="list-style-type: none"> • To ensure all unsecured creditors are kept up to date with the administration 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Retention of title	<ul style="list-style-type: none"> • Liaising with retention of title creditors 	<ul style="list-style-type: none"> • To ensure all retention of title claims are processed 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Administration			76 hrs £22,270 £/hr294
Case management	<ul style="list-style-type: none"> • File reviews 	<ul style="list-style-type: none"> • To keep track of outstanding matter in the administration 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Report to creditors, notices & decisions	<ul style="list-style-type: none"> • Reviewing position regarding the current expiry date of the administration • Circulating progress report to creditors 	<ul style="list-style-type: none"> • To assist in deciding if an extension of the administration is required • To ensure all unsecured creditors are kept up to date with the administration 	<ul style="list-style-type: none"> • This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate

Treasury, billing & funding	<ul style="list-style-type: none"> Processing receipts and payments Reconciling bank statements to cash book Liaising with Barclays regarding pre-appointment accounts 	<ul style="list-style-type: none"> To ensure all receipts and payments are properly accounted for To account for any post administration receipts paid into the pre-appointment account 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
	<ul style="list-style-type: none"> VAT returns Post-appointment tax computations 	<ul style="list-style-type: none"> To comply with tax legislation 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Pensions	<ul style="list-style-type: none"> Liaising with pension schemes 	<ul style="list-style-type: none"> To comply with pension legislation 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
General	<ul style="list-style-type: none"> Case reviews Internal discussions regarding the future strategy of the administration Chasing outstanding invoices from creditors who were paid on a proforma basis Outcome of decision documents for fee approval and extension of administration 	<ul style="list-style-type: none"> To ensure outstanding matters in the administration are being progressed To ensure all VAT invoices are received so VAT can be claimed from HM Revenue & Customs To ensure that the relevant parties are notified of the extension of the administration To allow the administrators to draw our fee for the administration and that all relevant parties are notified of the extension of the administration 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Total fees incurred in the Period			221 hrs £76,150 £/hr345

Detailed SIP9 time cost analysis for the period
Period from: 10/06/2019 to 09/12/2019

Area of work	Partner Hrs	£	Manager Hrs	£	Executive Hrs	£	Administrator Hrs	£	Period total Hrs	£	Cumulative total as at period end Hrs	£	£/hr	Fees estimate Hrs	£	£/hr	Variance Hrs	£
Trading:																		
Trading (general)	7.00	3,395.00	-	-	-	-	-	-	7.00	3,395.00	485.00	485.00	376.49	446.55	167,198.25	374.42	(8.50)	(4,122.50)
Realisation of assets:									6.80	3,106.00	456.76	456.76	441.00	711.15	313,487.75	440.83	61.25	26,884.00
Insurance	-	-	-	-	-	-	-	-	-	-	1.00	170.00	170.00					
Property	-	-	-	-	-	-	-	-	-	-	0.65	186.75	287.31					
Debtors	2.00	970.00	-	-	-	-	-	-	2.00	970.00	485.00	485.00	431.80					
Stock & WIP	-	-	-	-	0.50	122.50	-	-	0.50	122.50	245.00	245.00	448.93					
Sale of business	1.50	727.50	-	-	-	-	-	-	1.50	727.50	485.00	485.00	457.87					
Other assets	-	-	-	-	-	-	-	-	-	-	57.95	24,327.75	419.81					
General	2.50	1,212.50	-	-	0.30	73.50	-	-	2.80	1,286.00	459.29	459.29	436.39					
Investigations:									-	-	7.70	1,891.50	245.65	7.70	1,891.50	245.65	0.00	0.00
Debtor / director / senior employees	-	-	-	-	-	-	-	-	-	-	-	-	255.24					
General	-	-	-	-	-	-	-	-	-	-	-	-	-					
Creditors:									131.54	47,379.55	360.19	360.19	325.54	415.32	129,341.75	311.43	(69.82)	(28,592.05)
Secured	45.00	21,875.00	-	-	0.30	73.50	-	-	45.30	21,948.50	484.51	484.51	463.87					
Employees & pensions	4.00	1,940.00	-	-	62.44	15,449.05	-	-	66.44	17,389.05	261.73	261.73	288.29					
Unsecured	13.00	6,430.00	0.25	111.25	4.35	1,065.75	1.80	288.00	19.20	7,895.00	411.20	411.20	340.26					
Retention of title	-	-	-	-	0.60	147.00	-	-	0.60	147.00	245.00	245.00	207.46					
Administration:									75.65	22,289.75	294.38	294.38	257.98	450.59	113,019.50	250.83	0.59	(3,073.00)
Case management	-	-	0.30	102.00	0.40	98.00	-	-	0.70	200.00	285.71	285.71	340.00					
Reports to creditors, notices & decisions	-	-	0.60	204.00	-	-	-	-	0.60	204.00	340.00	340.00	340.00					
Treasury, billing & funding	4.25	2,061.25	-	-	16.50	3,077.25	3.80	689.00	24.55	5,807.50	236.56	236.56	197.00					
Tax	1.45	1,022.25	9.70	3,613.00	6.70	1,944.00	0.25	45.00	18.10	6,624.25	365.98	365.98	336.78					
Pensions	-	-	3.50	1,557.50	-	-	0.25	45.00	3.75	1,602.50	427.33	427.33	447.12					
General	3.75	1,862.50	2.25	843.75	17.45	4,371.50	4.50	753.75	27.95	7,831.50	280.20	280.20	266.36					
Total	84.45	41,496.00	16.60	6,431.50	109.54	26,422.05	10.40	1,800.75	220.99	76,150.30	344.59	733,842.30	358.36	2,031.31	724,948.75	356.89	(16.48)	(6,893.55)

Notes.

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Total time costs paid to date £420,000

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied take into consideration the nature and complexity of the case and are as follows:

Grade	From 10 December 2018 to current	
	Insolvency £/hr	Pensions & tax £/hr
Partner	510	510
Director	485	485
Associate director	445	445
Manager	340	340
Assistant manager	300	300
Executive	245 – 260	260
Administrator	165 - 200	165 - 200
Treasury	180	n/a

The current charge out rates have applied since 10 December 2018. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint administrators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Client Disbursements	0	272	272
Courier	87	322	322
Parking & Tolls	0	89	89
Postage	0	68	68
Property Maintenance	0	22	22
Subsistence	0	139	139
Insolvency Practitioners Bond	0	1,121	1,121
Category 2 disbursements			
Mileage	0	5,992	5,992
Expenses			
Trading Expenses	13,484	1,435,806	1,435,806
Agents/ Valuers Fees:			
Hilco Valuation Services	0	47,578	47,578
Payroll Costs	0	6,561	6,561
Pre-Appointment Fees	0	60,000	60,000
Pre-Appointment Expenses	0	2,327	2,327
Administrators Fees	76,150	733,842	420,000
Irrecoverable VAT	450	1,718	1,718
Legal Fees:			
Gateley plc	0	26,774	26,774
Squire Patton Boggs (UK) LLP	13,378	143,378	46,240
Professional Fees:			
ERA Solutions	0	6,450	6,450
Taylor Wessing LLP	0	400	400
Ernst & Young	0	70,000	70,000

Property holding, asset disposal and other costs:

Carriage	0	25	25
Telephone	121	121	121
Stationery & Postage	86	86	86
Other Utilities	6,968	6,968	6,968
Re-Direction of Mail	0	211	211
Statutory Advertising	0	71	71
Rents Payable	16,667	16,667	16,667
Rates	0	5,823	5,823
Other Property Expenses	1,259	2,759	2,759
Insurance of Assets	1,981	26,542	26,542
Bank Charges	0	28	28
IT / Software Costs	0	1,012	1,012
Total expenses and disbursements	130,631	2,603,262	2,192,282

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this has been for mileage only.

Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)Pensions work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as joint administrators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

C Statutory information

Company Information

Company name	Harvard Technology Limited
Date of incorporation	28 October 1993
Company registration number	02866874
Former trading address	Unit 1 Tyler Close Normanton Industrial Estate Normanton West Yorkshire WF6 1RL
Former registered office	As above
Present registered office	4 Hardman Square Spinningfields Manchester M3 3EB

Administration information

Administration appointment	The administration appointment granted in the Business and Property Court in Manchester, Company & Insolvency List, 3202 of 2018
Appointor	the directors
Date of appointment	10 December 2018
Joint Administrators' names	Sarah O'Toole Christopher J Petts
Joint Administrators' address(es)	4 Hardman Square, Spinningfields, Manchester, M3 3EB Rotterdam House, 116 Quayside, Newcastle-Upon-Tyne, NE1 3DY
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up
Estimated values of the Net Property and Prescribed Part	The company's Net Property is estimated to be £533,000, resulting in a Prescribed Part of £109,600.
Prescribed Part distribution	The joint administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply Therefore, the joint administrators intend to make a distribution to the unsecured creditors.
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	9 December 2019

D Notice about this report

This report has been prepared by Sarah O'Toole, the joint administrator of Harvard Technology Limited – in administration, solely to comply with the joint administrators' statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, 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.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 do so at their own risk. To the fullest extent permitted by law, *the joint administrators do not assume any liability in respect of this report to any such person.*

Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The joint administrators are bound by the Insolvency Code of Ethics.

The joint administrators act as agents for the Company and contract without personal liability. The appointment of the joint administrators are personal to them and to the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the joint administrators' previous progress reports and proposals issued to the Company's creditors, which can be found on the Grant Thornton portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.



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