In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

FRIDAY

A71UFJEZ
A22 16/03/2018 #290
COMPANIES HOUSE

1 Company details

Company number	0 5 6 1 1 7 6 3
Company name in full	Datacentred Ltd

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

2 Administrator's name

Full forename(s)	Anthony
Surname	Collier

3 Administrator's address

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

4 Administrator's name ❶

Full forename(s)	Geoffrey Paul
Surname	Rowley

❶ Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	110
Street	Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

❷ 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	d2 d2 m0 m8 y2 y0 y1 y7
To date	d2 d1 m0 m2 y2 y0 y1 y8

7	**Progress report**
	☑ I attach a copy of the progress report

8	**Sign and date**
Administrator's signature	Signature X A Collier X
Signature date	d1 d5 m0 m3 y2 y0 y1 y8

FRP Advisory

Datacentred Ltd (In Administration) ("the Company")

High Court of Justice, Chancery Division, Manchester District Registry NO. 2768 OF 2017

The Joint Administrators' Progress Report for the period 22 August 2017 to 21 February 2018 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

15 March 2018

Contents and Abbreviations

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	Datacentred Ltd (In Administration)
The Joint Administrators	Anthony Collier and Geoffrey Rowley of FRP Advisory LLP
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
The Reporting Period	The reporting period 22 August 2017 to 21 February 2018
CVL	Creditors' Voluntary Liquidation
QFCH	Qualifying Floating Charge Holder
HMRC	HM Revenue & Customs
Barclays	Barclays Bank PLC
The Directors	Michael Peter Kelly and William Enevoldson
NOIA	Notice of Intention to Appoint Administrators
GMCA	The Greater Manchester Combined Authority
NWF	NWF (Venture Capital) LP
MGL	Moulton Goodies Limited
The Secured Creditors	GMCA, NWF, MGL and Michael Kelly
The Proposals	The Joint Administrators' Proposals dated 6 October 2017
SIP 9	Statement of Insolvency Practice 9 – Payments to Office Holders and their Associates

1. Progress of the Administration

FRP Advisory

The Joint Administrators' Actions to Date

This report should be read in conjunction with the Proposals, which provides background information on the Company, details of the events leading up to the insolvency and full details of the marketing of the business and assets undertaken by the Joint Administrators. A copy can be provided on request to the office.

The Company was a provider of Cloud services, providing software defined and cloud-native infrastructure services to both public and private organisations, as well as operating a physical data centre which provided co-location services. The Company's turnover was split between these two distinct revenue streams.

Although the majority of the Company's income had historically been generated by the Cloud business, 90% of this income was attributable to one Cloud customer, who gave formal notice on 27 June that they would be terminating their contract and switching to an alternative supplier.

The physical data centre which provided the co-location services was significantly under utilised with the majority of customer racks vacant.

Sale of the Company's Assets

Cloud Business

At the date of the Proposals, the Joint Administrators were exploring two potential offers; one for the Cloud team and associated goodwill and one for the moveable items of plant and machinery associated with the physical data centre space.

The offer for the Cloud team was on the basis of retention of the Company's largest customer who indicated they may be willing to remain a customer and not terminate as previously advised.

However, after a period of further discussion, the customer confirmed that it was terminating the contract. Due to this decision, the offer for the Cloud team and associated assets was withdrawn. With no other offers received for the Cloud business the Joint Administrators took the decision to cease trading. The majority of the Company's employees were made redundant on 31 October 2017.

A few employees were retained until 30 November 2017 to assist with an orderly shutdown of the Cloud systems, including assisting customers to migrate their data to alternative suppliers, deletion of sensitive data and removal of customers' equipment racks.

Data Centre

We received a number of offers for the physical data centre assets. The Joint Administrators are continuing to discuss these offers and options and anticipate a sale will be completed shortly.

Administration Trading Period

Trading Surplus

The Administration trading Receipts and Payments Account is attached at **Appendix E.** A trading surplus of £354,190 has been generated during the Reporting Period. After payment of all remaining costs associated with the trading period, the final anticipated trading surplus is £293,970. This does not include professional costs associated with the trading period.

Other Asset Realisations

Book Debts

At the date of appointment the Company had outstanding book debts of £45,884. The Joint Administrators have received £42,240 in relation to these pre-Administration book debts. No further realisations are expected to be generated from this source.

1. Progress of the Administration

Cash at Bank

At the date of appointment there was cash at bank totalling £549,398 held in the Company's Barclays bank account. Shortly after the appointment of the Joint Administrators, Barclays exercised its right of contractual set off against sums owed, recovering the full amount of £527,981 due to them from the Company's bank account balance. This included the balance of £18,019 held in Datacentred Holdings Limited's bank account which was captured by virtue of a corporate cross-guarantee.

The remaining balance of £21,417 was transferred to the Company's Administration estate bank account.

Intellectual Property

The Company owned a block of IP addresses. An offer of £5,000 was made for these IP addresses from an non-connected third party. This offer was accepted and the Joint Administrators facilitated the transfer of the IP addresses to the company once the payment was received.

IT Equipment

Once the Joint Administrators took the decision to cease to trade, they contacted all parties who were interested in the Company's assets on a piecemeal basis.

Realisations of £62,326 have been generated from sales of the IT equipment. Of this amount, £58,793 relates to sales to non-connected third parties.

The remaining £3,533 relates to sales of laptops or small pieces of IT equipment to members of staff. Given the estimated realisable value of these assets, based on age and condition, members of staff were given the option to purchase their own laptops and computer equipment.

All IT equipment was valued by Sanderson Weatherall prior to being sold, and the Joint Administrators are of the view that the above fairly reflects the maximum realisations that could have been generated from these assets. Sanderson Weatherall also recommended the acceptance of the employees offers.

Sundry Refunds

The Joint Administrators have received sundry refunds totalling £117 during the Reporting Period.

A total of £100 was received in relation to a refund from a utility supplier, in respect of amounts overpaid prior to the commencement of the Administration.

A total of £17 was received from the Company's former solicitors in respect funds that were held in the Company's client account.

Rates Refund

The Joint Administrators instructed PCA Recovery to investigate the rateable values of the leasehold property, to identify any historic overpayments. A rates refund of £601 has been received. No further realisations are expected.

Gross Bank Interest

Gross bank interest of £863 has been received in the Reporting Period.

Terminal Loss Relief

The Joint Administrators engaged accountants to consider the feasibility of a claim for Terminal Loss Relief against corporation tax paid in previous years. As the Company was loss making in the 3 years prior to the commencement of the Administration and therefore did not pay any corporation tax, a claim for terminal loss relief is not feasible.

1. Progress of the Administration

The Joint Administrators will consider any other viable corporation tax reliefs that may be available to the Company.

Work undertaken during the Reporting Period

The Joint Administrators attach at **Appendix C** a schedule of work undertaken during the Reporting Period together with a summary of work still to be completed

Attached at **Appendix E** is a Receipts and Payments Account detailing transactions for the Reporting Period. The Receipts and Payments Account presents all items net of VAT.

Investigations

Part of the Joint Administrators' duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. The Joint Administrators have reviewed the Company's books and records, accounting information and accounting and financial transactions, requested further information from the Directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the schedule of work attached.

Extension to the initial period of appointment and Anticipated Exit Strategy

The Administration will end automatically after 12 months from the date of the appointment of the Joint Administrators. This period can be extended with consent of the creditors for up to twelve months or longer by the application of the Court, however an extension to the initial 12 month period is not envisaged. This is however dependent on a sale of the Company's remaining assets.

It is anticipated that the Joint Administrators will implement the necessary steps to place the Company into dissolution, before the next 6 month anniversary of the Administration.

2. Estimated Outcome for Creditors

The estimated outcome for creditors was set out in the Proposals, a further update is provided below.

Secured Creditors

At the date of appointment the Company had 13 outstanding charges relating to 5 secured creditors of the Company.

Barclays

In consideration for a term loan, the Company granted Barclays a debenture dated 13 October 2016, containing fixed and floating charges over all the assets of the Company.

At the date of appointment the balance owing to Barclays was £527,981. This has been repaid in full from cash balances held by the Company at the date of appointment.

The Greater Manchester Combined Authority

The Company granted GMCA four debentures, dated 23 May 2014, 18 December 2014, 6 March 2015, and 13 October 2016, which contain fixed and floating charges over all assets of the Company.

At the date of appointment they were owed a total of £3,919,523, subject to accruing interest and charges. This figure includes monies owed by Datacentred Holdings Ltd but captured by virtue of a cross guarantee.

NWF (Venture Capital) LP

The Company granted NWF (Venture Capital) LP three debentures, dated 23 May 2014, 6 March 2015 and 13 October 2016, which contain fixed and floating charges over all the assets of the Company.

At the date of appointment they were owed a total of £1,377,411, subject to accruing interest and charges. This figure includes monies owed by Datacentred Holdings Ltd but captured by virtue of a cross guarantee.

Moulton Goodies Limited

The Company granted Moulton Goodies Limited four debentures, dated 23 May 2014, 6 March 2015, 18 December 2015 and 13 October 2016 which contain fixed and floating charges over all assets of the Company.

At the date of appointment they were owed a total of £3,880,656 subject to accruing interest and charges. This figure includes monies owed by Datacentred Holdings Ltd but captured by virtue of a cross guarantee.

Michael Peter Kelly

The Company granted Michael Peter Kelly a debenture dated 18 December 2015 containing a fixed and floating charge over all assets of the Company.

At the date of appointment he was owed a total of £940,374 subject to accruing interest and charges. This figure includes monies owed by Datacentred Holdings Ltd but captured by virtue of a cross guarantee.

Outcome for Secured Creditors

Subject to the successful realisations of the data centre assets a small distribution of £250,000 in total may be available to the secured creditors. All secured creditors will suffer a significant shortfall on their indebtedness.

Outcome for Preferential Creditors

At the date of the Proposals, the Joint Administrators had received preferential creditor claims tolling £2,144, being the preferential element for holiday pay as calculated in accordance with legislation, in relation to the staff member who was formally made redundant prior to the Administration, but was working his notice period when the Joint Administrators were appointed.

The remainder of the employees were made redundant following the cessation of the Administration trading period. All employees were paid wages and accrued unpaid holiday pay and pension contributions up to the date of redundancy, and therefore there are no further anticipated preferential claims.

It is likely that there will be sufficient funds to enable a distribution to preferential creditors, however this is dependent on future asset realisations.

Outcome for Unsecured Creditors

According to the Company's books and records, unsecured creditors totalled £259,251 at the date of appointment.

This was broken down as follows:

	£
- Trade Creditors	206,704
- HMRC	52,547
	259,251

To date, the Joint Administrators have received claims totalling £658,729. This includes £14,181 and £6,257 in respect of redundancy pay and payment in lieu of notice. The claims received are significantly higher than what was contained in the Company's books and records due to a number of leased equipment providers claiming for the remaining terms of the agreements. It is estimated that there will be insufficient funds to enable a distribution to unsecured creditors, other than from the Prescribed Part, if applicable.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

The value of the net property available is currently unknown as this is dependent on future asset realisations.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

Joint Administrators' Remuneration

Following circulation of the Joint Administrators' Proposals, the Secured Creditors have approved the Joint Administrators' remuneration on a time cost basis for both the pre and post and post appointment fees capped at £250,000. To date, time costs across pre and post appointment activities total £306,000.

A breakdown of time costs incurred during the Reporting Period is attached at **Appendix D**. The remuneration anticipated to be recovered by the Joint Administrators, is not likely to exceed the sum provided in the fees estimate circulated to creditors with the Proposals. No remuneration has been drawn to date.

In accordance with SIP 9, a breakdown of key areas of time expended by FRP is as follows:

- Time costs of £114,511 have been incurred in dealing with all aspects of asset realisations. A total of £80,758 was incurred conducting the sales process, which included marketing the business and assets of the Company, circulating a sales memo, setting up and maintaining a dataroom, provision of additional information requested by interested parties holding on site meetings with interested parties. A total of £20,774 is attributed to completing sales of the Company's assets, including the ongoing sale of the physical data centre assets.

- Time costs of £85,064 are attributed to activities undertaken to continue to trade the business during the Administration trading period. This includes trading forecasting and monitoring, completion and update of cashflows, contacting and updating customers, in particular ongoing negotiations with the Company's largest Customer and liaising with key suppliers regarding the ongoing supply of services.

- Time costs of £17,373 have been incurred in order to comply with statutory and internal compliance procedures through circulating reports and documents to the relevant bodies of stakeholders in addition to dealing with post appointment VAT and tax compliance.

- Time Costs of £29,671 have been incurred dealing with creditors. This includes regular updates and correspondence with the secured creditors and dealing with all unsecured creditor queries. Time was also incurred dealing with employees and redundancies, as well as liaising with HP/leasing companies and the landlord.

Joint Administrators' Disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Joint Administrators' Expenses

An estimate of the Joint Administrators' expenses was set out in the Proposals. The Joint Administrators attach at **Appendix F** a statement of expenses that have been incurred during the Reporting Period. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided.

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link http://creditors.frpadvisory.com/feesguide.htm and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you

FRP Advisory

on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Joint Administrators' Pre-Appointment costs

As detailed in the Proposals, the following fees had not been paid when the Company entered Administration:

Engagement	Fees Charged	Disbursements incurred
Pre-Administration fees incurred by FRP	31,346	60
Squire Patton Boggs (UK) LLP pre-appointment fees	10,046	84

These amounts do not include VAT.

Appendix A

Statutory Information

DATACENTRED LTD (IN ADMINISTRATION)

COMPANY INFORMATION:

Other Trading Names:	None
Company Number:	05611763
Registered Office:	c/o FRP Advisory LLP 7th Floor, Ship Canal House 98 King Street Manchester M2 4WU
Previous Registered Office:	11 Riverview The Embankment Business Park, Vale Road, Heaton Mersey Stockport, Cheshire SK4 3GN
Business Address:	Units 4 – 5, Michigan Park Michigan Avenue Salford M50 2GY

Shareholders and Shareholding:

Name	Shares	Type	%
Datacentred Holdings Ltd	1	Ordinary	100

ADMINISTRATION DETAILS:

Joint Administrators:	Anthony Collier and Geoffrey Rowley
Address of Joint Administrators:	FRP Advisory LLP 7th Floor, Ship Canal House, 98 King Street Manchester M2 4WU and FRP Advisory LLP 110 Cannon Street London EC4N 6EU
Date of appointment of Joint Administrators:	22 August 2017
Court in which Administration proceedings were brought:	High Court of Justice, Chancery Division, Manchester District Registry
Court reference number:	2768 of 2017

Appendix A

Statutory Information

Appointor details:	The Directors 11 Riverview The Embankment Business Park Vale Road Heaton Mersey Stockport Cheshire SK4 3GN
Previous office holders, if any:	None
Extensions to the initial period of appointment:	None
Date of deemed approval of Joint Administrators' proposals:	23 October 2017

Appendix B

CH Form AM10 Formal Notice of the Progress Report

In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

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

1 Company details

Company number	0 5 6 1 1 7 6 3
Company name in full	Datacentred Ltd

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

2 Administrator's name

Full forename(s)	Anthony
Surname	Collier

3 Administrator's address

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 · 4 W U
Country	

4 Administrator's name ❶

Full forename(s)	Geoffrey Paul
Surname	Rowley

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

5 Administrator's address ❷

Building name/number	110
Street	Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

❷ **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	2 2 0 8 2 0 1 7
To date	2 1 0 2 2 0 1 8

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X A Collier X
Signature date	1 5 0 3 2 0 1 8

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	Keeley Casey
Company name	FRP Advisory LLP
Address	7th Floor
	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344

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

Appendix C

Schedule of Work

Datacentred Ltd (IN ADMINISTRATION)

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated. Where the fee basis proposed is on time costs further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
• The records received are complete and up to date. • Investigations into reasons for failure will be undertaken. • The work that may be undertaken by any subsequently appointed Liquidator has been excluded. • Any financial irregularities are yet to be identified. • A committee of creditors is not appointed. • There are no exceptional queries from stakeholders. • Full co-operation of the directors and other relevant parties is received as required by legislation. • There are no health and safety or environmental issues to be dealt with. • The case will be closed within 2 years.

Note	**Category**			**Fee Basis – Time Costs**	
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**	**£17,578**	
	General matters		**General matters**		
	Case set up with internal documents filed. Necessary Administrative and Strategy Work: – Initial meetings – Consideration of all options and impact of each – Liaising with secured and other creditors		Regularly reviewing the conduct of the case and the case strategy and updating as required as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing.		

FRP

Schedule of Work

	Preparation of necessary press releases. Carrying out case reviews at appropriate intervals.				
	Regulatory Requirements				
	Completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations. Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act. In addition to the above take on procedures consideration of if there are any other case specific matters be aware of prior to or on appointment, for example health and safety; environmental concerns; particular licences or registrations; tax position; social media; profile of the client or its stakeholders Assisting employees with their claims where applicable and liaising with the Redundancy Payments Office as required.		Continued reference to statutory provision throughout the case in relation to direction, review and reporting requirements. As applicable full communication and notification with the relevant regulatory bodies.		
	Case Management Requirements				
	Determine case strategy and to document this. Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. In addition, this would include a review of any security documentation to confirm the validity of any charges.		On-going case strategy. To provide a statutory report to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at Court/Registrar of Companies.		

	Setting up and administering insolvent estate bank accounts throughout the duration of the case Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. Arranging for insurance on the assets in the estate. Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries. Assisting the directors where needed in producing the Company's Statement of affairs		Regular case and file reviews. Liaise with insurers to cancel insurance cover on assets once realised.		
2	**ASSET REALISATION** **Work undertake to date**		**ASSET REALISATION** **Future work to be undertaken**	**£79,835**	
	One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation. Ascertain whether any refunds are due from Research & Development tax credits or terminal loss relief. Identify all assets and instruct agents to provide valuation and marketing advice and sell business and or assets in accordance with any relevant legislation. Marketing business and assets of the Company for sale.		Realise remaining physical data centre assets.		

	Negotiating with landlord during the trading period. Collection of monies due from trading period sales and pre-appointment debtors. Liaising with the bank regarding the transfer form pre appointment funds to the Administration estate bank account. Completing sales of IT equipment and IP addresses. Liaising with PCA regarding any refunds due for Non-Domestic rates.				
3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**£34,695**	
	The Administrators' are required to provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation. Calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level, and reviewing the level of bond cover where appropriate. Advertising notice of the office holders' appointment as required by statute. Establishing the existence of any pension schemes and staging dates for auto-enrolment and taking appropriate action to notify all relevant parties.		To provide statutory reports to various stakeholders and manage any queries arising. Copies of these reports are required to be filed at the Registrar of Companies. Obtain creditor approval for the basis on which the office holder's fees will be calculated. Dealing with post appointment VAT and or other tax returns as required. To deal with the statutory requirements in order to bring the case to a close and for the office holders to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the		

Datacentred Ltd (IN ADMINISTRATION)

Schedule of Work

	Liaising with HMRC regarding the group VAT registration, and re-registering the Company for VAT as it was de-grouped upon insolvency.		relevant documentation with the Registrar of Companies.		
4	**INVESTIGATIONS** **Work undertaken to Date**		**INVESTIGATIONS** **Future work to be undertaken**	**£9,315**	
	An IP has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate. Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could realise assets for the insolvency estate. Requesting all directors of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to the Department of Business Innovation and Skills ("DBIS") in accordance with the Company Directors Disqualification Act. Completing online directors conduct submission, and completing memo for internal files. Considering information provided by all stakeholders that might identify further assets or lines or enquiry for the office holder to explore if benefit to the estate is possible.		No further work to be undertaken.		

FRP

Datacentred Ltd (IN ADMINISTRATION)

Schedule of Work

5	**TRADING** **Work undertaken to date**		**TRADING** **Future work to be undertaken**	**£76,260**	
	Adherence to FRP's internal protocols to obtain approval to continue to trade. Continued trade of the business was necessary to facilitate a marketing process for the business and assets of the Company, work undertaken includes: Liaising with suppliers and setting up new customer accounts, and providing undertakings. Liaising with various utility suppliers and providing undertakings to ensure the continued supply of utility's during the trading period. Ensuring staff wages and expenses were paid on time. Maintaining and monitoring trading cashflow and profit and loss account. Making payments to various suppliers and landlords, and maintaining trade payment schedules. Correspondence with employees throughout the trading period. Liaising with the bank regarding the Company's pre appointment bank accounts.		Full reconciliation of trading receipts and payments.		

FRP

Datacentred Ltd (IN ADMINISTRATION)

Schedule of Work

6	**CREDITORS** **Work undertaken to date**		**CREDITORS** **Future work to be undertaken**	**£32,020**	
	Creditors have been advised of appointment and any claims submitted have been lodged. Secured Creditors: Obtaining validity of security advice which is required before a distribution is made, in the event that sufficient funds are available to distribute to secured creditors Employees: Managing monthly and weekly payroll and expenses, and making payments on behalf of the Company. Liaising with the Redundancy Payments Office and assisting employees with their claims. Assets on finance: Establishing the position with regards assets on finance, and liaising with supplier regarding the collection of assets. Pensions: Establishing the position with regards any Employer pension scheme, notifying the relevant parties in accordance with the legislation HMRC claims: Liaising with HMRC to establish their claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate. Pension: Liaising with 2020 trustees to prepare a pension report and ascertain any further action the Administrators are required to take.		Secured Creditors: Secured creditors hold a charge over assets of the insolvent estate, when that asset is sold during the insolvency the secured creditor will receive the proceeds that is subject to any valid security. If there is a surplus this will be retained in the insolvent estate. If there is a shortfall the balance is an unsecured debt in the insolvent estate. Before making a payment to a secured creditor who holds a floating charge the office holder will need to ascertain if a prescribed part, (essentially a ring fenced sum of money) must first be set aside for the benefit of the unsecured creditors. Preferential Creditors: A distribution to preferential creditors is dependent on future asset realisations. Should there be sufficient funds available to allow a distribution, preferential creditors will be notified and the dividend will be paid by the Joint Administrators.		

Appendix D

Details of the Joint Administrators' Time Costs and Disbursements for the Reporting Period

FRP Advisory

FRP [redacted]tred Ltd (In Administration)

Time charged for the period 22 August 2017 to 21 February 2018

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**9.40**	**21.65**	**43.35**	**3.70**	**78.10**	**23,866.25**	**305.59**
Case Accounting		1.80	8.95	2.90	13.65	3,456.50	253.22
Travel	5.00		1.30		6.30	2,832.50	449.60
Case Control and Review	0.90	12.50	8.30		21.70	7,006.75	322.89
Case Accounting - General			11.20	0.40	11.60	2,599.50	224.09
General Administration		0.25	13.60	0.40	14.25	3,824.50	268.39
Insurance		6.85			6.85	2,329.00	340.00
Strategy	3.00	0.25			3.25	1,570.00	483.08
IT – Admin / planning and acquisit	0.50				0.50	247.50	495.00
Asset Realisation	**59.80**	**229.05**	**12.45**		**301.30**	**114,510.50**	**380.05**
Asset Realisation			6.80		6.80	1,855.00	272.79
Freehold/Leasehold Property		5.20	0.40		5.60	1,878.00	335.36
Chatel Assets		5.50			5.50	2,062.50	375.00
Debt Collection		0.75			0.75	255.00	340.00
Legal-asset Realisation		3.85			3.85	1,309.00	340.00
Sale of Business	45.30	157.75	5.25		208.30	80,758.50	387.70
Asset Realisation Floating	6.00	51.85			57.85	20,774.00	359.10
Asset Realisation Fixed	8.50	4.15			12.65	5,618.50	444.15
Creditors	**9.30**	**31.00**	**50.85**	**5.00**	**96.15**	**29,670.75**	**308.59**
Unsecured Creditors		0.45	15.20	1.50	17.15	4,555.25	265.61
Secured Creditors	6.80	4.25	0.30		11.35	4,958.50	436.87
Employees		16.70	25.45	3.50	45.65	12,970.50	284.13
HP/ Leasing		5.60			5.60	1,904.00	340.00
ROT		2.15	3.80		5.95	1,738.50	292.18
Pensions		1.85	6.10		7.95	2,306.50	290.13
Landlord	2.50				2.50	1,237.50	495.00
Investigation	**0.30**	**4.63**	**10.70**		**15.63**	**4,542.50**	**290.63**
Investigatory Work		1.50			1.50	510.00	340.00
CDDA Enquiries		1.60	8.70		10.30	2,936.50	285.10
IT – Investigations	0.30	0.75	2.00		3.05	803.50	263.44
Forensic		0.78			0.78	292.50	375.00
Statutory Compliance		**14.25**	**44.75**	**1.85**	**60.85**	**17,373.00**	**285.51**
Post Appt TAX/VAT		1.00	2.15		3.15	912.50	289.68
Statutory Compliance - General		3.15	24.30		27.45	7,753.50	282.46
Statutory Reporting/ Meetings		7.50	16.50	1.75	25.75	7,315.00	284.08
Appointment Formalities		0.65		0.10	0.75	234.00	312.00
Statement of Affairs		1.60	1.10		2.70	846.50	313.52
Bonding/ Statutory Advertising		0.35	0.70		1.05	311.50	296.67
Trading	**29.50**	**96.85**	**136.10**		**262.45**	**85,064.00**	**324.12**
Trading forecasting/ Monitoring	23.50	47.35	94.10		164.95	53,714.00	325.64
Case Accounting - Trading	0.20	2.15	4.00		6.35	1,930.00	303.94
Trade-sales/ Purchase		45.95	38.00		83.95	26,073.00	310.58
Legal-trading		1.00			1.00	340.00	340.00
IT – Trading / Sale support	5.80	0.40			6.20	3,007.00	485.00
Total Hours	108.30	397.43	298.20	10.55	814.48	275,027.00	337.67

FRP Charge out rates

Grade	From 1st May 2016
Appointment taker / Partner	450-495
Managers / Directors	340-465
Other Professional	200-295
Junior Professional & Support	125-175

Disbursements for the period
22 August 2017 to 21 February 2018

	Value £
Category 1	
Parking	11.58
Postage	137.68
Subsistance	304.24
Taxis	214.76
Telephone	36.22
Travel	270.55
Bonding	350.00
Mobile Telephone	7.74
Computer Consumables	2,294.70
Property	17.00
Category 2	
Car/Mileage Recharge	372.54
Grand Total	**4,017.01**

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

FRP ADVISORY LLP ("FRP")

HOURLY CHARGE OUT RATES WITH EFFECT FROM 1 MAY 2016

Grade	£/hour
Appointment taker/Partner	495
Managers/Directors	340-465
Other Professional	200-295
Junior Professional/Support	125-175

Time costs are maintained on computerised records of all time spend on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link http://www.frpadvisory.com/fees-guide.html. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements:

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance.

Category 1 disbursements can be drawn without prior approval

Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.

Appendix E

Receipts and Payments Account for the Reporting Period

Datacentred Ltd
(In Administration)
Joint Administrators' Trading Account
To 21/02/2018

S of A £		£	£
	POST APPOINTMENT SALES		
	Sales	609,561.51	
	Sundry Contribution to Costs	306.51	
			609,868.02
	OTHER DIRECT COSTS		
	PAYE/NIC	45,119.74	
	Contractors	9,079.83	
	Direct Wages	97,135.19	
	Direct Expenses	552.46	
	Wage deductions	1,884.90	
	Pension	14,304.91	
			(168,077.03)
	TRADING EXPENDITURE		
	Rents	13,791.58	
	Heat & Light	35,246.78	
	Telephone	449.84	
	Lease/HP Payments	30,467.68	
	Hire of Equipment	210.00	
	Repairs & Maintenance	971.49	
	Sundry Expenses	166.50	
	Payroll Costs	394.80	
	IT Costs	5,891.46	
	Postages	10.82	
			(87,600.95)
	TRADING SURPLUS/(DEFICIT)		**354,190.04**

Datacentred Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 21/02/2018

S of A £		£	£
	SECURED ASSETS		
	Intellectual Property	5,000.00	
			5,000.00
	ASSET REALISATIONS		
228,158.00	Plant & Machinery	NIL	
47,004.00	Book Debts	42,240.36	
27,614.00	Cash at Bank	21,417.05	
	Sundry refund	116.58	
34,616.00	IT Equipment	62,325.82	
	Bank Interest Gross	862.98	
	Trading Surplus/(Deficit)	354,190.04	
	Rates Refund	600.83	
			481,753.66
	COST OF REALISATIONS		
	Preparation of S. of A.	1,216.10	
	Stationery & Postage	46.00	
	Statutory Advertising	84.60	
	Pension Report	250.00	
	Other Property Expenses	3,062.51	
	Bank Charges - Floating	165.00	
			(4,824.21)
337,392.00			**481,929.45**
	REPRESENTED BY		
	Vat Recoverable - Floating		18,429.58
	IB Current Floating		599,064.52
	Vat Payable - Floating		(134,564.65)
	Vat Payable - Fixed		(1,000.00)
			481,929.45

Appendix F

Statement of Expenses incurred in the Reporting Period

Datacentred Ltd (In Administration)
Statement of expenses for the period ended
21 February 2018

Expenses	Cost Paid to 21 February 2018 £	Costs Incurred but not paid £	Total Expenses for the period £
Legal Fees	-	50,995	50,995
Legal Disbursements	-	97	97
Agents Fees	-	8,200	8,200
Agents Disbursements	-	157	157
Stat Advertising	85	-	85
Pension Report	250	-	250
Preparation of SoA	1,216	-	1,216
Postage	46	-	46
Rating Agents	-	144	-
Bank Charges	165	-	165
Other Property Expenses	3,063	-	3,063
Trading Costs			
Contractors	9,080	-	9,080
Direct Wages	97,135	-	97,135
Direct Expenses	552	-	552
Direct Wages - Other Deductions	1,885	-	1,885
PAYE/ NIC	45,120	-	45,120
Pension	14,305	-	14,305
Rents	13,792	-	13,792
Rates	-	TBC	-
Heat & Light	35,247	-	35,247
Telephone	450	-	450
Lease/HP payments	30,468	TBC	30,468
Hire of Equipment	210	TBC	210
Repairs & Maintainance	971	TBC	971
Payroll Costs	395	-	395
IT Costs	5,891	TBC	5,891
Postage	11	-	11
Insurance	-	TBC	-
Sundry	167	-	167
Total	**260,502**	**59,643**	**320,145**

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	Keeley Casey
Company name	FRP Advisory LLP
Address	7th Floor
	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344

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