

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number 0 7 0 5 4 2 7 9

Company name in full Techhub Europe Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul

Surname Stanley

3 Administrator's address

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Jason Dean

Surname Greenhalgh

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode



Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator’s Proposals

6		Statement of proposals							
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals							
7		Sign and date							
Administrator’s Signature		Signature 							
Signature date		^d 2	^d 3	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0

AM03

Notice of Administrator's Proposals



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 Sutcliffe
Company name	Begbies Traynor (Central) LLP
Address	340 Deansgate Manchester
Post town	M3 4LY
County/Region	
Postcode	
Country	
DX	
Telephone	0161 837 1700



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 and dated 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

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Techhub Europe Ltd (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Techhub Europe Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 31 July 2020
"the administrators", "we", "our", "us"	Paul Stanley and Jason Dean Greenhalgh of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Techhub Europe Ltd	
Trading name(s):	Techhub Europe	
Date of Incorporation:	22 October 2009	
Company registered number:	07054279	
Company registered office:	340 Deansgate, Manchester, M3 4LY	
Former registered office:	1-15 Clere Street, London, EC2A 4LJ	
Trading address(es):	1-15 Clere Street, London, EC2A 4LJ	
Principal business activities:	Letting and operating of conference and exhibition centres	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Elizabeth Jane Varley	N/A
	Andrew John Peter Tibbitts	N/A
Auditors:	David Grant Limited, Treviot House, 186-192 High Road, Ilford, Essex, IG1 1LR	
Share capital:	100 shares of £1 each	
Shareholders:	Techhub Global Limited	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	31 July 2020
Date of resignation:	N/A
Court:	High Court of Justice, Business and Property, Manchester
Court Case Number:	2020-003117
Person(s) making appointment / application:	The directors of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) 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), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

With over 75% of our revenues ceasing due to customers leaving the company because of Covid and the government's lockdown restrictions, the company's liabilities exceeded its revenues. A plan was put in place agreed by the directors, lenders and advisors for a standalone CVA to clear the company's historic debts (outside of the debenture held by the lenders Float Capital), and that also requested discounts from the company's landlords in its two properties going forward for a recovery period. Attempts were made to negotiate this with the company's landlords, with a view to negotiating same with LB Islington on the business rates liabilities. One landlord (Lion Portfolio, represented by Capreon asset managers) were open to the deal (with improvements as they requested) and would take it if the other landlord (Intercontinental Exchange/ICE) also accepted the deal. ICE turned down the initial offer without explanation, and did not respond at all to the improved offer. The directors had no choice but to appoint administrators for the company.

5. STATEMENT OF AFFAIRS

At the time of issuing the Administrators' Proposals, the Statement of Affairs has not been provided by the Directors of the Company. Once available, this will be available to view at Companies House and available for viewing and download by following the instructions provided in the letter sent to creditors.

Our comments on the Company's assets and liabilities are as follows:

ASSETS

Goodwill, Intellectual Property, Trading Name

The Joint Administrators have accepted an offer for the Goodwill, Intellectual Property and Trading Name. At the time of issuing the Proposals, the sale has not yet completed, however further details in relation to the sale will be contained in the Joint Administrators' next progress report.

Leasehold Improvements

The Company occupied leasehold premises prior to the appointment of administrators. The accounts to March 2019 indicate a book value of £242,791, however in an administration scenario the estimated to realise value of any leasehold improvements would be nil.

Plant, Machinery, Furniture & Equipment

The Company's accounts to March 2019 indicated a book value of £387,230 in relation to Plant & Machinery etc. Following appointment, the Joint Administrators instructed their agent Eddisons to attend site to establish the position regarding the Company's physical assets, and steps are currently being taken to realise those assets on behalf of the Joint Administrators.

Further details in relation to any realisations will be contained in the Joint Administrators' next progress report.

Debtors

The records provided to the Joint Administrators following appointment indicated that there were outstanding debtors of c.£17k.

The Joint Administrators have written to all known debtors, however given the nature of how some of the debts arose and the fact that the Company has now vacated the former trading premises, significant realisations may be unlikely. Further details in relation to any realisations will be contained in the Joint Administrators' next progress report.

Cash at Bank

The Company held two separate bank accounts with HSBC Bank Plc ("HSBC").

The Joint Administrators understand that the funds held in the respective bank accounts ("Bank 1" and "Bank 2") are to be treated separately for distribution purposes.

We understand that the funds in Bank 1 are classed as floating charge monies, however the funds in Bank 2 are 'uncharged' monies and therefore not for the benefit of Float Capital Ltd ("Float"), the Qualifying Floating Charge Holder.

The estimated balances in the accounts at the time of the Joint Administrators' appointment are as follows:

Bank 1 – c.£611k

Bank 2 – c.£122k

The Company also operated a bank account with Silicon Valley Bank. It is estimated that a balance of c.\$6,000 is held with them. The Joint Administrators have written to Silicon Valley Bank to request a transfer of the funds.

Cash in Hand

The Company held small amounts of cash in various currencies due to the nature of the business. This was collected by the Joint Administrators shortly after their appointment.

It is estimated that once the currencies are exchanged, it will equate to c.£400.

LIABILITIES

Float

It is estimated that Float are owed a total of c.£1.83m in relation to funds advanced to the Company under their floating charge.

Employees

All wages and accrued holidays were paid up to 31 July 2020, therefore the only outstanding funds due to employees relate to redundancy and notice pay.

It is estimated that the total due to the employees in relation to redundancy and notice amounts to c.£67,922.

Bank Overdraft

The Company held a bank account with Stripe Bank. It is estimated that the overdrawn balance amounts to c.£789.

Landlords

The 2 major creditors of the Company are the landlords at the former trading premises. It is estimated that total landlord claims amount to c.£1.686m.

Trade Creditors

Total trade creditors are estimated at c.£531,871.

HM Revenue & Customs ("HMRC")

It is estimated that HMRC are owed c.£23,491 in relation to VAT, and c.£67,637 in relation to PAYE/NIC.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

There have been no receipts or payments during the period.

Work undertaken by the Administrators and their staff

Action taken immediately following appointment

- Open cover insurance arranged with Eddisons
- Retention of key members of staff to assist in obtaining the relevant records and to co-ordinate the move-out of members from the former trading premises
- Relevant forms passed to employees in relation to their claims for redundancy and notice, and assistance provided where necessary in relation to the same

- All statutory documents prepared and sent to Companies House, the London Gazette, HMRC and all known creditors
- Forms RP14 and RP14a prepared and sent to the Redundancy Payments Service ("the RPS") to assist with the claims of the redundant employees
- All directors in the previous three years were given a letter explaining the effects of our appointment, together with a questionnaire to complete
- Correspondence sent to the Company's bankers to request a transfer of funds held in the respective bank accounts

Further steps taken once position established

- Negotiations with the landlord in relation to access to the former trading premises to assist with the move-out of all members
- Instruction of our agent Eddisons to attend site to establish the position regarding the physical assets and to provide a valuation of the same
- Liaised with Eddisons in relation to an offer received for the Company's physical assets
- Dealt with various interested parties and accepted an offer in relation to the Goodwill, Trading Name and Intellectual Property
- Engaged with employees and the RPS in relation to the claims of the employees
- Dealt with a number of queries from creditors in relation to memberships paid and various claims received
- Engaged solicitors to provide advice on the validity of Float's charge

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditor

Float Capital Limited

Float hold a fixed and floating charge debenture dated 17 December 2018.

As outlined above, it is estimated that c.£1,836m is owed to Float under their charge.

Preferential creditors

There are no known preferential claims as we understand that any re no arrears of wages or holiday pay and that all pension contributions have also been paid up to date.

Unsecured creditors

Claims of unsecured creditors are estimated at £2,377,865, broken down as follows:

- Landlords - £1,686,155
- Trade Creditors - £531,871
- Employees re redundancy and notice - £67,922
- HMRC (PAYE/NIC) - £67,637
- HMRC (VAT) - £23,491
- Bank overdraft - £789

On the basis of estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditor

It is estimated that Float Capital will receive a dividend under their floating charge, however we anticipate that they will suffer a significant shortfall.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

Due to the uncertain estimated to realise values of the Company's assets, we are unable to estimate the value of the Company's net property and prescribed part at this stage, however we can confirm that it is likely that the Company's unsecured creditors will receive a distribution under the prescribed part.

Due to the level of funds held in the Company's bank account, the net property will be more than £10,000. The Joint Administrators will provide further information in relation to the estimated prescribed part in their next progress report.

Unsecured creditors

Based upon estimated future realisations, we anticipate that the following:

- That the unsecured creditors will receive a dividend under the prescribed part as outlined above
- That the unsecured creditors will receive a dividend from the funds held in Bank 2 due to the fact that these are 'uncharged' monies.

With regard to both the prescribed part distribution and the proposed unsecured distribution, the costs of the administration have not been taken into account when making these assumptions.

Furthermore, the Joint Administrators may seek legal advice in relation to the funds held in Bank 2 prior to declaring any dividend.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the company's creditors as a whole than would be likely if the company were wound up

We do not feel that it is reasonably practicable to achieve the purpose specified in sub-paragraph 3(1)(a), namely rescuing the Company as a going concern, due to a large number of the tenants moving out of the premises due to the Covid-19 pandemic and therefore causing a significant fall in revenue. The Company also had insufficient funds to pay the Landlord for any future rent. The Directors of the Company did consider other insolvency options including a Company Voluntary Arrangement, but this did not materialise following discussions with the Landlord.

Although the Company ceased to trade, the administrators were able to retain key staff to assist with the preparation of all necessary records and, perhaps more importantly, to assist the members with the move-out from the former trading premises. As the administrators were able to establish immediate control with the assistance of the retained employees, this reduced the potential for further claims to be brought by the former members and allowed a smoother transition. In the event that the Company immediately entered into liquidation and all staff were made redundant, the move-out process would have potentially created additional claims which would not benefit the Company's creditors as a whole.

Exit from Administration

Creditors' Voluntary Liquidation

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Dissolution

In the unlikely event that we are unable to pay a dividend to the unsecured creditors (other than by virtue of the prescribed part) then as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Contingency Plan – Extending the Administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of outlined in Section 6 above, we also prepared the relevant documentation to allow for the Company to be placed into Administration ("the Work"). The Work was carried out pursuant to an agreement made between us and the Company entered into prior to our appointment ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because we consider that the Work has furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	5,351.00	1,070.20	6,421.20
TOTAL PRE-ADMINISTRATION COSTS		5,351.00	1,070.20	6,421.20

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, the secured creditor of the Company. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters as set out in the fees estimate.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part fund of any net floating charge property). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 31 July 2020.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. There are no matters that have been identified at this stage that may require additional investigation.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 25 September 2020.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

We consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Paul Stanley', with a large, sweeping flourish extending upwards and to the left.

Paul Stanley
Joint Administrator

Date: 23 September 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

There have been no receipts or payments during the period.

REMUNERATION AND EXPENSES

Total time spent to 11 September 2020 on this assignment amounts to 145.3 hours at an average composite rate of £237.73 per hour resulting in total time costs to 11 September 2020 of £34,541.50

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis.
- ❑ Narrative summary of time costs incurred.
- ❑ Table of time spent and charge-out value.
- ❑ The Administrators' fees estimate.
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred.

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to assist with the valuation and sale of office equipment and furniture. Their charges will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £1,000 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged, These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: Techhub Europe Ltd

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Paul Stanley and Jason Dean Greenhalgh

DATE OF APPOINTMENT: 31 July 2020

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the table below.

	Partner	Director	Manager	Senior Administrator	Trainee Administrator	Total Hours	Time Costs	Average Hourly Rate
Hourly Rate	495	445	345	225	140			
Pre-Appointment Time	4.4	0.1	5	3.5	4.4	17.4	5,351	307.53

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

In the period prior to the Company entering into Administration, we carried out work which consisted of the following:

- Discussions with the Directors of the Company regarding the proposed administration
- Preparation of necessary documents to place the Company into administration

1.4 Complexity of work undertaken prior to appointment

The Joint Administrators spent considerable time liaising with the Directors of the Company in relation to the options available to them and discussing the most appropriate course of action. Once it was established that administration was the best course of action, the Joint Administrators and their staff prepared all necessary documentation and arranged for the electronic filing of the relevant documents at Court.

1.5 Exceptional responsibilities

There have been no exceptional responsibilities in relation to pre-appointment work.

1.6 The proposed Administrators' effectiveness

Please refer to the report and proposals for details of the proposed administrators' effectiveness in the pre-appointment phase.

1.7 The views of the creditors

Prior to our appointment as administrators, a Company Voluntary Arrangement ("CVA") was explored with the Company's major unsecured creditors, with the consent of Float in their capacity as Qualifying Floating Charge Holder.

For various reasons, the proposed CVA did not materialise, therefore steps were taken to place the Company into administration.

Float remained in the loop regarding the directors plans regarding the administration, and were served with the relevant five business days' notice required prior to our appointment. Float had no objections to the route sought, and allowed the administrators to be appointed on 31 July 2020.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The Administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

No Category 2 Disbursements were incurred in the pre-appointment period.

1.10 Other professionals employed & their costs

No other professionals were employed in the pre-appointment period.

1.11 Staffing and management

Due to the amount of work involved with the case, 4 members of staff (in addition to the proposed administrators) were instructed to work on the case. The staff comprised of a director, manager, senior Administrator and trainee administrator.

Techhub Europe Ltd

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

Time charged to "Realisation of assets" in the period covered by this report relates to time spent dealing with potential purchasers of the Company's assets, being office furniture and equipment. We have also spent time in discussions with our agents, Eddisons Commercial Limited, in relation to these assets. Time has also been spent liaising with the banks in relation to the Company's cash at bank and in relation to the cash held in various currencies.

Dealing with all creditors' claims (including employees), correspondence and distributions

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

During the period, a significant amount of time has been spent in dealing with the claims of the various employees and submitting the relevant forms to the Redundancy Payments Service. In addition, we have received queries from a number of creditors and dealt with any queries and claims accordingly. This included dealing with various tenants of the premises and assisting in their move out.

We will continue to deal with any queries from employees and unsecured creditors throughout the period of the administration to ensure that they are provided with any information requested. When it becomes apparent that a dividend will be paid, notice of our intention to pay a dividend will be issued to those creditors who have not yet claimed, and steps will be taken to calculate and pay a dividend.

Time will continue to be spent dealing with all creditor queries as and when required.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

In addition to the above, the Joint Administrators must seek decisions of creditors in relation to the approval of their proposals, the approval of their pre-administration costs, along with the approval of their proposed remuneration and disbursements.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Details of the pre-appointment work carried out and the resolutions being sought in this respect are detailed in the proposals.

How much will this work cost?

Details as to how much we anticipate the work will cost are included in fee estimate included in the proposals.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at appendix 3 of the proposals.

TIME COSTS ANALYSIS 31 JULY 2020 TO 11 SEPTEMBER 2020

SIP9 Techhub Europe Ltd - Administration - 10TE244.ADM : Time Costs Analysis From 31/07/2020 To 11/09/2020

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TECHHUB EUROPE LTD

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	97.00	28,175.00	290.46
Compliance with the Insolvency Act, Rules and best practice	63.30	17,257.00	272.62
Investigations	23.50	6,492.50	276.28
Realisation of assets	53.50	21,417.50	400.33
Dealing with all creditors' claims (including employees), correspondence and distributions	80.60	18,034.00	223.75
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	31.50	14,881.50	472.43
Total hours	349.40		
Total time costs		101,413.50	
Overall average hourly rate £			290.25

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 23 September 2020

TECHHUB EUROPE LTD

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE
LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	283.50
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	500
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	1,000
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500
5.	Agent's valuation fees, sales fees and disbursements	Eddisons Commercial Limited and their anticipated disbursements.	2,500 – 5,000
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	5,000
7.	Debt collection fees and disbursements	The fees of any third party instructed by the Insolvency Practitioner to assist with the collection of the debts of the insolvent entity and their anticipated disbursements	2,000
8.	Travel	To any meeting, Company premises etc.	250
9.	Room hire	For requisitioned physical meetings of creditors, meetings with the directors or debtor etc.	100

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.