



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://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	C/O Begbies Traynor
Street	340 Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
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	C/O Begbies Traynor
Street	340 Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
Country	

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**Presenter information**

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

Contact name **Mark Weekes**

Company name **Begbies Traynor (Central) LLP**

Address **Redheugh House**

**Teesdale South**

Post town **Thornaby Place**

County/Region **Stockton-on-Tees**

Postcode **T S 1 7 6 S G**

Country

DX

Telephone **01642 796 640**

**Checklist**

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

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

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

Paul Stanley and Jason Dean Greenhalgh were appointed  
Joint Administrators on 31 July 2020

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.

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## Techhub Europe Ltd (In Administration)

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### Progress Report of the Joint Administrators

Period: 31 July 2020 to 30 January 2021

## Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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.

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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 to the Insolvency Act 1986 on 31 July 2020
"the administrators" "we" "our" and "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 Insolvency Act 1986

# 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

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Paul Stanley and Jason Dean Greenhalgh, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
Date of administrators' appointment:	31 July 2020
Date of administrators' 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.
Extensions of the administration period	There have been no previous extensions to the administration period

### 4. PROGRESS DURING THE PERIOD

#### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 31 July 2020 to 30 January 2021.

#### *Goodwill, Intellectual Property ("IP") & Company Name*

The Company's Goodwill, IP and Company Name were sold to Old Street Ventures Ltd Limited (a company associated by common directors) on 22 October 2020 for £30,000.

A third-party offer was received but with the franchise nature of the business (TechHubs located in Wales, Romania, Spain, Poland and Latvia) the majority of franchisees had concerns that third party involvement could seriously damage the brand. As the main duty of the Administrators is to protect the interest of creditors and not to increase the claims of creditors unnecessarily, the offer was rejected.

#### Cash at Bank 1

As outlined in the Joint Administrators' Proposals ("the Proposals"), 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.

It is understood that the funds in Bank 1 are classed as floating charge monies, with the funds in Bank 2 being 'uncharged' monies and therefore not for the benefit of Float Capital Ltd ("Float"), the Qualifying Floating Charge Holder. The agreement is being sought by Administrators confirming the nature and charges related to these accounts before the Cash at Bank 2 funds can be distributed.

During the period, £512,597 has been received from HSBC in relation to Cash at Bank 1.

We have spent significant time during the period dealing with HSBC in an attempt to realise all of the cash at bank.

An additional £209,999 was received following the reporting period (10 February 2021), and we are awaiting further supporting statements to enable the funds to be correctly allocated between Cash at Bank 1 and Cash at Bank 2. A further update in relation to the cash position will be provided in our next progress report.

## PAYMENTS

### Joint Administrators' Fees

Further details in relation to the Joint Administrators' fees may be found in Section 7 below.

### Legal Fees

£850 was paid to Bermans for providing advice in relation to the validity of the charges registered at Companies House to enable the Joint Administrators to make the necessary distributions under the floating charge.

### Stationery & Postage

£365 was paid to There Today Couriers in relation to the delivery of the Company's books and records to the Joint Administrators' offices.

### Accountants Fees

£340 was paid to Moorepay HR in relation to their assistance provided to the Joint Administrators following appointment in respect of payroll and other electronic records held by them.

### Statutory Advertising

£95 was paid to Courts Advertising in relation to the advert placed in the London Gazette advertising the Joint Administrators' appointment.

### Insurance of Assets

£224 was paid to Eddisons Insurance Services (part of the Begbies Traynor Group) in respect of insurance cover in place in relation to the Company's physical assets.

### Bank Charges

Bank charges of £12 were incurred during the period with Allied Irish Bank.



### Distribution to Floating Charge Creditor

Following receipt of the Cash at Bank outlined above, an interim floating charge distribution of £400,000 was made to Float Capital ("Float"). Further details in relation to the position of Float generally may be found in Section 5 below.

### Prescribed Part

As outlined in the Proposals, where a distribution is made to the Floating Charge Holder, funds must be held in reserve for the benefit of unsecured creditors.

Following the distribution of £400,000 to Float, the sum of £83,000 was reserved for in relation to the Prescribed Part. It is intended that this will be distributed to the unsecured creditors of the Company once all realisations and floating charge distributions have been made. It is likely that there will be further distributions resulting in an increase in the Prescribed Part. Further details will be provided in our next progress report.

What work has been done in the period of this report, 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 at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only.

### General case administration and planning

Insolvency Practitioner are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. Case strategy and planning is necessary in order to ensure the orderly and efficient winding up of the Company's estate.

Time which has been charged to "General Case Administration and Planning" includes work of this nature together with periodic reviews of the case and the Liquidators internal diary system. We have also maintained the electronic files relating to the case. In addition, there have been a number of emails between the staff handling the day to day administration of the case in relation to case progression and strategy.

### Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and the Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practices set out by the R3 body which represents business recovery professionals). This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to "Compliance with the Insolvency Act, Rules and Best Practice" has included the preparation and submission of all statutory documents following our appointment, ensuring the bonding levels are correct, and the preparation and submission of the Joint Administrators' Proposals.

### Investigations

The Joint Administrators have a duty to submit a report to The Insolvency Service on the conduct of the Company's directors in the lead up to the Company being placed into administration.

Time charged to 'investigations' during the period relates to reviews carried out, and the preparation and submission of the report to The Insolvency Service.

### Realisation of assets

As outlined above, a sale of the Goodwill, IP and Company Name completed in October 2020. Significant time was spent dealing with the purchasers, other interested parties and the various franchisees in relation to the sale.

In addition to the above, we have also spent significant time dealing with HSBC in relation to the cash held in the Company's bank accounts. As outlined above, the majority of the cash at bank has now been transferred, and we are awaiting further supporting statements to enable the balances to be correctly allocated between Cash at Bank 1 and Cash at Bank 2.

We have also spent time liaising with the Company's debtors with a view to recovering the outstanding book debts, however there have been no recoveries to date.

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

Administrators are required to log creditor claims, and respond to general correspondence received, including dealing with any creditors who have claimed retention of title on goods supplied.

During the period, time has been spent in relation to:

- Reviewing the validity of the charges
- Liaising with various unsecured creditors of the Company in relation to the administration generally
- Receiving and logging creditor claims
- Making the first interim distribution to Float
- Calculating and reserving the Prescribed Part for the benefit of unsecured creditors
- Preparation and submission of forms RP14 and RP14a to the Redundancy Payments Service in respect of the claims of the redundant employees
- Assisting those employees in relation to their claims

### Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

Time incurred under this heading relates to time spent seeking decisions from creditors in relation to the approval of the Joint Administrators' remuneration and disbursements as well as post appointment tax matters.

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment were outlined in the Proposals.

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

### Secured creditor

As outlined above, Float have so far received £400,000 under their floating charge. It is anticipated that further distributions will be made to Float, 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

Details of how the prescribed part for unsecured creditors is calculated were provided in the Proposals.

Unfortunately, we are still awaiting additional information from HSBC in relation to the two separate bank balances held to enable as to accurately allocate the respective funds. As 'Cash at Bank 2' will not form part of the floating charge pot available for distribution to Float, we will first need to establish the exact amounts paid in respect of Cash at Bank 1 and Cash at Bank 2 before we can accurately estimate the Prescribed Part available for the benefit of the unsecured creditors.

As outlined above, a distribution of £400,000 has been made to Float during the period, and £83,000 has been reserved for at this stage.

#### Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than by virtue of the prescribed part.

#### Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, 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.

## 6. PRE-ADMINISTRATION COSTS

On 28 October 2020 the following amounts in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure

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

We are yet to draw any funds in respect of our approved pre-administration costs.

## 7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed 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 in attending to matters as set out in the fees estimate totalling £101,413.50.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 31 July 2020 to 30 January 2021 amount to £69,695.50 which represents 293.6 hours at an average rate of £237.38 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 30 January 2021, we have drawn the total sum of £20,000 on account of our remuneration, against total time costs of £69,695.50 incurred since the date of our appointment.

As can be seen from the information above, our previously approved estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

#### Disbursements

To 30 January 2021, we are yet to draw any disbursements.

#### Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest	
Type and purpose	Amount £
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	£224
TOTAL	£224

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

#### Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £14,633.50. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

## 9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

### Assets that remain to be realised

#### Book Debts

As outlined in the Proposals, the company's records indicated that c.£17k was due in respect of outstanding book debts.

Since appointment, time has been spent by the Joint Administrators and their staff in trying to maximise recoveries, however there have been no realisations to date. We will continue to make attempts to collect the balances due and will provide a further update in our next progress report.

#### Cash at Bank 2

As outlined above, at the time of writing, a further balance of £209,999 has been received from HSBC. The Joint Administrators will review the relevant records once received to accurately allocate those funds between Cash at Bank 1 and Cash at Bank 2.

#### Other Cash at Bank

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. A further update will be provided in our next progress report.

#### Cash in Hand

As outlined in the Proposals, the Company held small amounts of cash in various currencies. The cash is currently held securely at our offices, but due to staff working remotely as a result of the Covid-19 pandemic the cash has not yet been banked. A further update will be provided in our next progress report.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

### General case administration and planning

We will continue to perform periodic reviews, in order to ensure that the statutory requirements of the relevant legislation are complied with.

Continuing records will also be made to demonstrate how the case is being administered, and to document the reasons for any decisions that materially affect the case.

Whilst this work will not benefit creditors financially, it is still a necessary part of the general control of the case.

### Compliance with the Insolvency Act, Rules and best practice

Pursuant to The Insolvency Act 1986 and the Insolvency Rules 1986, together with subsequent amendments, over the remaining course of the administration of this estate we will ensure that the case is adequately bonded (an insurance to protect the interests of unsecured creditors in the potential asset realisations on a case)

We will also produce a Progress Report within a month the anniversary and within a month of every six month period thereafter of the date of when the Company entered Administration, which is issued / made available to all creditors and filed with the Registrar of Companies.

The cashiering duties (bank reconciliations and maintaining accounting records) will also continue to be undertaken by our support staff.

Whilst this work will not benefit creditors financially, it is still required to ensure our files are conducted in a statutory compliant manner.

#### Investigations

It is not anticipated that any further investigation work is required on this matter.

#### Realisation of assets

As outlined above, we will continue to make attempts to realise the outstanding book debts and will take the necessary steps in relation to the Cash at Bank and Cash in Hand as appropriate.

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

We will continue to log creditor claims and respond to general correspondence received.

Unsecured creditors will be invited to prove their claim to allow them to receive a distribution under the prescribed part, and for a dividend to be paid out of the funds held in 'Cash at Bank 2'. Prior to any dividends being made the Joint Administrators may need to review further documents and/or obtain legal advice in relation to the treatment of that money.

We also anticipate further distributions to be made to Float under their floating charge.

In addition, we will continue to work with the RPS and the former employees in relation to any claims in respect of redundancy and notice as necessary.

#### Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

We will continue to prepare / submit tax returns for the periods after our appointment as Joint Administrators and will seek further decisions of creditors as and when necessary.

How much will this further work cost?

As detailed in our 2020 Fees Estimate, the estimated cost of the above work required to bring the Administration to a closure, based upon the charge-out rates of the grades of staff that are likely to undertake the work, totalled £101,413.50

With current time costs approaching £69,700, it is anticipated that there is sufficient scope within the existing fee estimate to bring this file to a conclusion.

#### Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 23 September 2020 which included all of the expenses that we anticipate that we will incur throughout the administration.

## 10. OTHER RELEVANT INFORMATION

### Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

### Investigations completed

As explained in our Statement of Proposals, we have undertaken an initial assessment of 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 require further investigation.

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets, which involves a party connected to the Company.

We confirm that the following assets were purchased by a connected party: -

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
22 October 2020	Goodwill, Intellectual Property and Trading Name	£30,000, October 2020	Old Street Ventures Ltd	Company connected by way of common directorship

### 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 to 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.

#### 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.

## 11. CREDITORS' RIGHTS

#### Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.



Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 12. CONCLUSION

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, the administrator's 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.

We will report again in approximately six months' time or at the conclusion of the administration, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Paul Stanley', with a long, sweeping horizontal stroke extending to the right.

Paul Stanley  
Joint Administrator

Dated: 22 February 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 July 2020 to 30 January 2021

S of A £		£	£
	<b>SECURED ASSETS</b>		
30,000.00	Goodwill, IP & Company Name	30,000.00	30,000.00
	<b>SECURED CREDITORS</b>		
(1,830,000.00)	Float Capital Ltd	NIL	NIL
	<b>ASSET REALISATIONS</b>		
NIL	Leasehold Improvements	NIL	
Uncertain	Plant & Machinery	NIL	
17,685.83	Book Debts	NIL	
615,600.00	Cash at Bank 1	512,597.00	
122,000.00	Cash at Bank 2	NIL	
400.00	Cash in Hand	NIL	
			512,597.00
	<b>COST OF REALISATIONS</b>		
	Administrators' Fees	20,000.00	
	Legal Fees (1)	850.00	
	Stationery & Postage	365.00	
	Accountants Fees	340.41	
	Statutory Advertising	94.50	
	Insurance of Assets	224.00	
	Bank Charges	12.00	
			(21,885.91)
	<b>FLOATING CHARGE CREDITORS</b>		
	Distribution to Floating Charge Creditor	400,000.00	(400,000.00)
	<b>UNSECURED CREDITORS</b>		
(531,871.31)	Trade Creditors	NIL	
(67,922.42)	Employees	NIL	
(789.00)	Banks/Institutions	NIL	
(67,637.09)	HMRC (non VAT)	NIL	
(23,491.47)	HMRC (VAT)	NIL	
(1,686,155.35)	Landlords	NIL	
	Prescribed Part	83,000.00	(83,000.00)
<b>(3,422,180.81)</b>			<b>37,711.09</b>

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## TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy; Time Costs Analysis for the period from 31 July 2020 to 30 January 2021.
- b. Time Costs Analysis for the period from 31 July 2020 to 30 January 2021.

## 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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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.

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.

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

<sup>2</sup> Ibid 1

#### 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.



## CUMALATIVE STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bond	Insolvency Risk Service	148.50	Nil	148.50
Postage	Postworks	175.07	Nil	175.07
Legal Fees	Bermans	850.00	850.00	Nil
Stationary & Postage	There Today Couriers	365.00	365.00	Nil
Accountants Fees	Moorepay Ltd	340.41	340.41	Nil
Statutory Advertising	Courts Advertising Limited	94.50	94.50	Nil
Bank Charges	Allied Irish Bank	12.00	12.00	Nil
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Insurance Services	224.00	224.00	Nil