

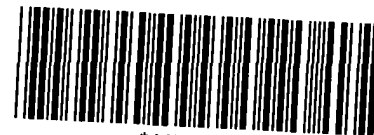
# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

TUESDAY



A12 \*AAVY825Q\*  
18/01/2022 #286  
COMPANIES HOUSE

### 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 Court details

Court name High Court of Justice, Business and Property,  
Manchester

Court case number 2 0 2 0 - 0 0 3 1 1 7

### 3 Administrator's name

Full forename(s) Paul

Surname Stanley

### 4 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

AM22

Notice of move from administration to creditors' voluntary liquidation

**5 Administrator's name <sup>①</sup>**

Full forename(s) Jason Dean

Surname Greenhalgh

**① Other administrator**

Use this section to tell us about another administrator.

**6 Administrator's address <sup>②</sup>**

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.

**7 Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

**8 Proposed liquidator's name**

Full forename(s) Paul

Surname Stanley

Insolvency practitioner number 0 0 8 1 2 3

**9 Proposed liquidator's address**

Building name/number C/O Begbies Traynor

Street 340 Deansgate

Post town Manchester

County/Region

Postcode M 3 4 L Y

Country



AM22

Notice of move from administration to creditors' voluntary liquidation

**10 Proposed liquidator's name <sup>①</sup>**

Full forename(s)	Jason Dean
Surname	Greenhalgh
Insolvency practitioner number	0 0 9 2 7 1

**① Other liquidator**

Use this section to tell us about another liquidator.

**11 Proposed liquidator's address <sup>②</sup>**

Building name/number	C/O Begbies Traynor
Street	340 Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
Country	


**② Other liquidator**

Use this section to tell us about another liquidator.

**12 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> 1
To date	<sup>d</sup> 1 <sup>d</sup> 4 <sup>m</sup> 0 <sup>m</sup> 1 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 2

**13 Final progress report**☒ I have attached a copy of the final progress report.**14 Sign and date**

Administrator's signature	Signature X 	X
Signature date	<sup>d</sup> 1 <sup>d</sup> 4 <sup>m</sup> 0 <sup>m</sup> 1 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 2	

**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 **Eleanor Saunders**

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](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 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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### **Final Progress Report of the joint administrators**

**Period: 31 July 2021 to 14 January 2022**

## **Important Notice**

This final 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.

## **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Outcome for creditors
- ☐ Administrators' proposals
- ☐ Summary of steps taken during the administration
- ☐ Remuneration and expenses
- ☐ Expenses
- ☐ Creditors' rights
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
  - 1. Account of receipts and payments
  - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
  - 3. Time costs and expenses
  - 4. Statement of expenses

# 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", "us"	Paul Stanley and Jason Dean Greenhalgh, both of Begbies Traynor (Central) LLP 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

# 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Paul Stanley and Jason Dean Greenhalgh, both are
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Licensed Insolvency Practitioners of Begbies Traynor  
(Central) LLP, 340 Deansgate, Manchester, M3 4LY

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.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 30 July 2022.

## 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 2021 to 14 January 2022.

#### Receipts

##### Cash in Hand

£345 was cashed into the Joint Administrators' bank account in relation to Petty Cash held following our appointment.

##### Insurance Refund

£40.04 was realised in relation to an insurance refund.

#### Payments

##### Administrators' Fees

Administrators' Fees totalling £10,000 were paid to Begbies Traynor during the period of this report. Further details are contained in section 6 of this report.

##### Bank Charges

£22.50 was paid to Allied Irish Bank in relation to bank charges.

##### Legal Fees



£1,335.00 was paid to Bermans for providing advice on the status of the uncharged monies in Bank 2 and for providing general advice and assistance throughout appointment.

#### Stationery & Postage

£189.30 was paid to Postworks in relation to postage costs incurred during the administration process.

#### Surplus to Liquidation

A balance of £141,507.64 will be transferred to the subsequently appointed Joint Liquidators.

#### **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 3. 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. Our previous reports contain details of the work undertaken since our appointment.

#### General case administration and planning

Insolvency Practitioners 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. Time charged to 'General case administration and planning' in the period of this report will include work of this nature, as well as:

- Sundry tasks such as photocopying and filing
- Emails between administrators, staff and the various parties involved in the administration
- Regular case reviews in line with our requirements

#### 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. 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 this area includes:

- Regular reviews of the bonding level to ensure a bond was in place covering the value of the Company's assets
- Preparation and submission of previous Joint Administrators Progress Report to 30 July 2021
- Preparation to close the administration and move to Creditors Voluntary Liquidation

### Investigations

The Joint Administrators and their staff have undertaken their investigations in compliance with Statement of Insolvency Practice 2 in relation to the conduct of the directors prior to our appointment as Joint Administrators.

Time charged in this period includes:

- Looking at insurance documentation to confirm whether any claim can be made.
- Finding details of insurance prepayments from bank statements.
- Various emails and letters to bank regarding post-appointment credit card transactions.
- Looking through credit card statements for details regarding post-appointment credit card transactions.

### Realisation of assets

The primary duty of an Insolvency Practitioner is to identify and realise the value of an insolvent company's assets for the benefit of creditors.

Time charged in this period includes:

- Chasing book debts
- Banking Petty cash
- Correspondence re insurance prepayment refund
- Searching books and records for debtor invoices
- Liaising with Silicon Valley Bank re bank balance held for Techhub New York Limited

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

Insolvency Practitioners will need to deal with the claims of creditors during the course of their time in office, which will include the recording of those claims together with the provision of ad hoc updates to creditors and dealing with general queries from those creditors. When funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims.

During the period, the Joint Administrators and their staff have spent time in relation to the following:

- Dealing with various queries and requests for updates from a large number of creditors.
- Logging any new claims received to ensure that our records remain up to date
- Liaising with legal representation of creditor
- Correspondence with the secured creditor in relation to our progress throughout appointment

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

During the period, time has been spent:

- Liaising with HMRC re VAT and Corporation Tax position
- Requesting further corporation tax details from HMRC after payments to HMRC were located on the bank statements despite a loss being made.
- Reclaiming VAT owed

## 5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of 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**

To date, the following has been paid to Float Capital, the fixed and floating charge creditor:

Fixed Charge £30,000  
Floating Charge £440,000

It is anticipated that further distributions may 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 our statement of proposals.

As outlined above, a total of £440,000 has now been distributed to Float under the floating charge, and £94,000 has been reserved for at this stage. In the event that there are further distributions to Float, additional funds will be reserved for in relation to the prescribed part.

#### **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.

We will write to those creditors who have not yet claimed to provide a final deadline for claims when necessary.

#### **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. ADMINISTRATORS' PROPOSALS**

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent procedure.

## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

The Joint Administrators' Proposals and our previous progress reports contain full details of the various tasks undertaken throughout the period of the administration, however the key elements are bullet pointed below:

- At the outset of the administration it was essential that certain key staff were retained to enable key tasks following the cessation of trade to be completed. These included but were not limited to the return of Company property, collating all employee information for claims to be made, packing up all of the items at the premises and collating books and records for our files.
- Time was spent liaising with Eddisons regarding the sale of assets.
- Preparation and submission of the report on the conduct of the Company's directors, and any necessary follow up with The Insolvency Service in relation to that report
- Correspondence with debtors and collection of amounts outstanding
- Regular dialogue with the Secured Creditor, including email and telephone correspondence.
- Significant time was spent chasing HSBC to transfer funds from both Company bank accounts.
- Significant time was also spent investigating issues which had come up through inspection of the Company bank statements such as unauthorised credit card transactions.
- Correspondence via email, telephone and letter with a large number of the Company's unsecured creditors.

## 8. REMUNERATION & EXPENSES

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.

We are also authorised to draw expenses 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 2021 to 10 January 2022 amount to £18,649 which represents 73.2 hours at an average rate of £254.77 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- Time Costs Analysis for the period 31 July 2021 to 10 January 2022
- Begbies Traynor (Central) LLP's charging policy

### **Time Costs Analysis**

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

To 10 January 2022, we have drawn the total sum of £40,000 on account of our remuneration, against total time costs of £113,485 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period since our last progress report, our previous progress reports contained details of the time costs we had incurred as at the date of each report.

### **What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?**

We estimated that the cost of administering the case would be in the region of £101,413.50, and subsequently you provided approval for us to draw our remuneration up to that level.

Details of what remuneration has been drawn is detailed above. We will be drawing fees against the level previously approved in our capacity as Joint Liquidators.

In addition, we will be seeking approval from creditors in relation to Joint Liquidators' fees, and we may also seek approval from creditors in relation to the additional time costs incurred in the administration over and above our initial estimate. For the avoidance of doubt, if creditors do not approve the additional administrators' fees in the liquidation, we will only be drawing fees up to the level previously approved, and any unbilled time costs will be written off as irrecoverable. However, we reserve the right to draw any unbilled time costs in future should circumstances subsequently permit us to do so.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the previously approved estimate has been exceeded are as follows:

- HSBC did not action the Joint Administrators' request to freeze bank accounts and credit cards for months after our appointment. This meant that a large number of unauthorised payments left the current account following our appointment. This has caused a number of problems and has required further investigation and a number of letters to be sent to the bank to resolve this.
- HSBC did not action the Joint Administrators' request to transfer monies to the Administration bank account until months after our appointment. This required a substantial number of chasers to various departments at the bank to resolve and also caused a delay to the case as there were insufficient funds to pay various parties involved in the case progression.

### **Category 1 Expenses**

To 14 January 2022, we are yet to draw any Category 1 Expenses.

### **Category 2 Expenses**

During the period of this report no Category 2 Expenses have been drawn.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' 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.

## 9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

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.

## 10. 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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 11. 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.

The Joint Administrators have written to all known debtors however only a small number of responses have been received to date. Further letters have since been sent out to debtors, however we anticipate that further realisations, if any, will be minimal, therefore a decision may have to be made to write off a number of the debtors.

### Other Cash at Bank

We had been made aware that the Company also operated a bank account with Silicon Valley Bank with an estimated balance of c.\$6,000.

It has come to light since that the account was held by a separate entity Techhub New York which was closed at a similar time to Techhub Europe Limited. The Joint Administrators are continuing to discuss with the bank and are still seeking to recover funds on the grounds that Techhub New York was almost solely funded by Techhub Europe Limited.

## 12. OTHER RELEVANT INFORMATION

### **Extension of administration**

The administration has been extended for a period of 12 months with the consent of creditors.

### **Use of personal information**

Please note that although the administration is being concluded, in discharging our remaining 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.



**Paul Stanley**  
Joint Administrator

Date: 14 January 2022

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 July 2021 to 14 January 2022

Statement of Affairs £		From 31/07/2021 To 11/01/2022 £	From 31/07/2020 To 11/01/2022 £
	<b>SECURED ASSETS</b>		
30,000.00	Goodwill, IP & Company Name	NIL	30,000.00
		NIL	30,000.00
	<b>SECURED CREDITORS</b>		
(1,830,000.00)	Float Capital Ltd	NIL	30,000.00
		NIL	(30,000.00)
	<b>ASSET REALISATIONS</b>		
	Bank Refund	NIL	17.87
17,685.83	Book Debts	NIL	56.95
615,600.00	Cash at Bank 1	NIL	600,552.54
122,000.00	Cash at Bank 2	NIL	122,043.69
400.00	Cash in Hand	345.00	345.00
	Insurance Refund	40.04	40.04
NIL	Leasehold Improvements	NIL	NIL
Uncertain	Plant & Machinery	NIL	5,750.00
		385.04	728,806.09
	<b>COST OF REALISATIONS</b>		
	Accountants Fees	NIL	340.41
	Administrators' Fees	10,000.00	40,000.00
	Agents/Valuers Fees (1)	NIL	3,575.00
	Agents/Valuers Fees (2)	NIL	615.40
	Bank Charges	22.50	34.50
	Insurance of Assets	NIL	224.00
	Legal Fees (1)	1,335.00	2,185.00
	Pre-Appointment Fees	NIL	5,351.00
	Specific Bond	NIL	148.50
	Stationery & Postage	189.30	730.14
	Surplus to Liquidation	141,507.64	141,507.64
	Statutory Advertising	NIL	94.50
		(153,054.44)	(194,806.09)
	<b>FLOATING CHARGE CREDITORS</b>		
	Distribution to Floating Charge Creditor	NIL	440,000.00
		NIL	(440,000.00)
	<b>UNSECURED CREDITORS</b>		
(789.00)	Banks/Institutions	NIL	NIL
(67,922.42)	Employees	NIL	NIL
(67,637.09)	HMRC (non VAT)	NIL	NIL
(23,491.47)	HMRC (VAT)	NIL	NIL
(1,686,155.35)	Landlords	NIL	NIL
	Prescribed Part	NIL	94,000.00
(531,871.31)	Trade Creditors	NIL	NIL
		NIL	(94,000.00)
<b>(3,422,180.81)</b>		<b>(152,669.40)</b>	<b>NIL</b>



## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

**Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended) approved by decision of creditors via a deemed consent procedure.**

### ***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.

## **COSTS AND EXPENSES**

- a. **Begbies Traynor (Central) LLP's charging policy;**
- b. **Time Costs Analysis** for the period from 31 July 2021 to 10 January 2022; and
- c. **Cumulative Time Costs Analysis** for the period from 31 July 2020 to 10 January 2022.

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This policy 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 creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance\* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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\* indicates that such charges should be disclosed to those who are responsible for approving the basis of 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 their 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 in 6 minute units 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**

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (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 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
  - (i) 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; or
  - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and 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 per meeting;
- ☐ Car mileage which 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.

Payments anticipated to be made to associates (pursuant to (ii) above)

**Services provided by other entities within the Begbies Traynor group**

The following expenses 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:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
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.

#### General Office Overheads.

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 expense*:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

#### **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 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Prior to 31 December 2021, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
	rate
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Cashier	140
Secretarial	140

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

As detailed above, time is recorded in 6 minute units.



SIP9 Techhub Europe Ltd - Administration - 10TE244.ADM : Time Costs Analysis From 31/07/2021 To 10/01/2022

Staff Grade	Contract/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Asst	Asst	Jr Asst	Support	Total Hours	Total Cost £	Average hourly rate £
General Case Administration and Planning	Case planning		0.3		4.9		0.4			5.6	1,849.50	328.27
	Administration				0.3		7.3			7.6	1,381.60	181.71
	Total for General Case Administration and Planning		0.3		5.2		7.7			13.1	3,230.50	246.60
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Ranking and Bonding		0.9			0.3	4.4		3.4	9.0	1,714.50	190.44
	Case Closure				0.2		6.3			6.5	1,171.50	180.23
	Statutory reporting and statement of affairs	1.2	0.2		0.2		6.7			8.0	2,097.00	233.30
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.2	1.1		0.9	0.3	17.4			3.4	24.9	4,982.50
Investigations	COSA and Investigations						3.3			3.3	577.50	175.00
	Total for Investigations:						3.3			3.3	577.50	175.00
Realisation of assets	Debt collection -			0.4		1.2				1.6	450.00	215.00
	Property, outstake and asset sales	1.0		1.3		0.3	4.2			7.5	2,142.00	251.54
	Retention of title/third party assets											0.00
	Total for Realisation of assets:	1.0		1.7		1.5	4.2			3.2	2,550.00	277.11
Trading	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others	7.6		1.2		0.7	5.2			15.2	5,415.00	356.32
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	7.6		1.2		0.7	5.2			15.2	5,415.00	356.32
	Other matters which includes meetings, tax, litigation, pensions and travel											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax		0.4		2.1		0.2	5.4		8.1	1,892.50	233.54
	Litigation											0.00
	Total for Other matters:		0.4		2.1		0.2	5.4		8.1	1,892.50	233.64
	Total hours by staff grade:	16.6	1.7		11.6		2.7	43.2		3.4	73.2	
Total time cost by staff grade £:	8,247.00	786.50		4,002.00		687.50	7,865.00		476.00		18,443.00	
Average hourly rate £:	433.00	445.00	0.00	345.00	0.00	225.00	175.00	0.00	142.00			194.77
Total fees drawn to date £:											40,000.00	

[illegible]



## STATEMENT OF EXPENSES FOR THE PERIOD

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				
Bank Charges	Allied Irish Bank	22.50	22.50	NIL
Legal Fees	Bermans	1,335	1,335	NIL
Stationery & Postage	Postworks	189.30	189.30	NIL

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Accountants Fees	Moorepay Ltd	340.41
Agent's fees paid to Eddisons	Eddisons Commercial	3,575
Agent's expenses paid to Eddisons	Eddisons Commercial	615.40
Bank Charges	Allied Irish Bank	34.50
Insurance costs paid to Eddisons	Eddisons Insurance Services	224
Legal Fees (1)	Bermans	2,185
Specific Bond	AUA Insolvency Risk Services	148.50
Stationery & Postage	Postworks	365.14
	There Today Couriers	365
Statutory Advertising	Courts Advertising Limited	94.50