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1	Company details	
Company number	0 7 6 1 9 2 2 3	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Beaumont Morgan Developments Limited	
2	Administrator's name	
Full forename(s)	Asher	
Surname	Miller	
3	Administrator's address	
Building name/number	Pearl Assurance House	
Street	319 Ballards Lane	
Post town	Finchley	
County/Region	London	
Postcode	N 1 2 8 L Y	
Country		
4	Administrator's name ^①	
Full forename(s)	Stephen	① Other administrator Use this section to tell us about another administrator.
Surname	Katz	
5	Administrator's address ^②	
Building name/number	Pearl Assurance House	② Other administrator Use this section to tell us about another administrator.
Street	319 Ballards Lane	
Post town	Finchley	
County/Region	London	
Postcode	N 1 2 8 L Y	
Country		

AM10

Notice of administrator's progress report

6

Period of progress report

From date	^d 1	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2	
To date	^d 1	^d 2	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2	

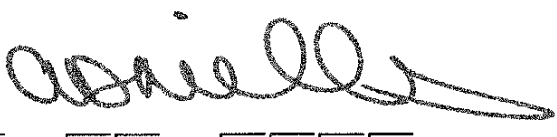
7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	^d 1 ^d 0 ^m 0 ^m 8 ^y 2 ^y 0 ^y 2 ^y 2	

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Notice of administrator's progress report



Presenter information

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

Contact name **Matthew Hull**

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

Address **Pearl Assurance House**

319 Ballards Lane

Post town **Finchley**

County/Region **London**

Postcode **N 1 2 8 L Y**

Country

DX

Telephone **020 8343 5900**



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

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

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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

Asher Miller and Stephen Katz were appointed joint administrators on 13 January 2022

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.

Beaumont Morgan Developments Limited (In Administration)

Progress report of the Joint Administrators

Period: 13 January 2022 to 12 July 2022

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"	Beaumont Morgan Developments Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 13 January 2022
"the administrators" "we" "our" and "us"	Asher Miller of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY and Stephen Katz of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY
"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	Beaumont Morgan Developments Limited
Date of Incorporation:	3 May 2011
Company registered number:	07619223
Company registered office:	Pearl Assurance House, 319 Ballards Lane, London, N12 8LY

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Asher Miller, a Licensed Insolvency Practitioner of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY and Stephen Katz, a Licensed Insolvency Practitioner of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY
Date of administrators' appointment:	13 January 2022
Court:	High Court of Justice Business and Property Courts
Court Case Number:	CR-2021-002407
Persons making appointment:	The Qualifying Floating Charge holder – Fortis UK Holdings Limited ("FUHL")
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.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended).

4. PROGRESS DURING THE PERIOD

We would recommend that this report is read in conjunction with the Report and Statement of Proposals dated 3 March 2022.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 13 January 2022 to 12 July 2022.

1. Receipts

1.1 Cash held on appointment

The sum of £9,000 was advanced to our firm's stakeholder account prior to the commencement of the appointment, to be held on account of the costs of the administration.

1.2 Cash at bank

Funds sitting in the Company's bank account at the time of our appointment and subsequently transferred to the designated estate account amounted to £205,701.90.

1.3 Sundry Receipts

The amount of £318.17 was received in respect of a credit on a Group Life Assurance Policy with Metlife.

1.4 Petty Cash

The amount of £17.46 in petty cash was recovered from the Company's former offices.

1.5 Bank interest

Interest earned on funds in hand amounts to £5.91.

2. Payments

2.1 Joint Administrators' Pre-appointment Fees

On 22 March 2022 payment of our firm's pre-administration time costs of £13,312.50 plus VAT was approved by creditors.

2.2 Specific Bond

The specific bond is the cost of insurance in respect of realisations by the Joint Administrators as required by the Insolvency Practitioners Regulations 2005.

2.3 Statutory Advertising

This represents the costs for the publishing of statutory advertising in newspapers and the London Gazette in respect of the Joint Administrators' appointment.

2.4 Travel and Subsistence

Expenses incurred by our archiving team in relation to collection of the Company's books and records, which were located in Manchester.

2.5 Server Backup

The amount of £1,632.86 plus VAT was paid to IT4 Business Ltd for their services in preparing a full backup of the Company's electronic records onto its physical server.

2.6 Insurance

The amount of £560 was paid to Aon UK Ltd in respect of insurance required during the course of the administration.

2.7 Legal Fees

To date the total sum of £17,250 plus VAT has been paid to solicitors HCR Sprecher Grier ("HCR") in respect of their advice and assistance in respect of various matters occurring during the course of the administration to date.

The work conducted by HCR to date includes the following:

- Advice and assistance in confirming the validity of the administrators' appointment and drafting an appropriate Witness Statement upon the request of the Court;
- Performance of a debenture validation in respect of the security granted to FUHL in July 2021 under which the appointment was eventually made;
- Advice and assistance provided in respect of a complex claim for Retention of Title lodged by a large creditor;
- Advice and assistance in respect of the novation of a contract and preparation of a formal Reimbursement Deed in respect of retentions due under the contract in question.

HCR have a specialist insolvency department and they were chosen on that basis after taking into account the size, nature and complexity of the legal issues. The agreed basis of HCR's fees was time costs, and I have received a detailed summary of the time spent by HCR on this matter to date.

2.8 Sundry Expenses

The sum of £24 has been paid in respect of various electronic searches conducted in respect of the Company and its officers.

2.9 Joint Administrators' Remuneration

During the period covered by this report the sum of £50,000 plus VAT has been paid in respect of the time costs incurred during the course of the administration to date.

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.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

Periodic internal reviews have been carried out in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Generally, it is necessary to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team have accordingly been held regularly to assess case status and ensure adherence to these requirements. Standard case reviews have also been conducted and documented periodically. The following work has also been undertaken:

- Opening a designated bank account and detailing with the movement and allocation of funds;
- Corresponding with the Company's pre administration bankers to freeze all accounts to any future outgoing payments and transfer funds across to the designated estate account;
- Completing various searches at Companies House to obtain statutory information on the Company;
- Submitting a VAT 769 notifying HM Revenue and Customs that the Company is now in administration;
- Handling the ongoing queries of the Company's directors in respect of various matters;
- Liaising with our insurance brokers and the Company's existing insurers in order to facilitate requisite cover during the administration;
- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations;

Books and Records

As result of the substantial scale of the Company's former operations, the significant extent of creditors in the estate and concerns raised by various creditors regarding the Company's pre-administration transactions and conduct of the directors in managing the business, it was considered to be of particular initial importance that all of the Company's books and records, both physical and electronic, were recovered and secured by the administrators in order to ensure proper investigations could be carried out.

In this regard, following appointment we contacted the Company's external IT contractors to obtain requisite information on the nature of the electronic systems used by the Company and location of the data, and instructed the contractor to prepare a full backup of cloud server data onto the Company's physical server. Following completion of this work the server was received by us in April 2022. Additionally, backups of the Company's internal Sage accounting system had been delivered up shortly after our appointment, and our internal archiving team also visited the Company's former offices in Manchester in order to recover the Company's physical files, with 40 boxes collected, listed and sent to our secure storage facility in this regard.

Whilst work undertaken in this category does not provide a direct financial benefit to creditors, it is a necessary part of the general control of all formal insolvency appointments.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken during the period under this heading is the following:

- Filing notice of the appointment of administrators with the Register of Companies;
- Serving notice of the appointment on the Company;
- Applying for the Joint Administrator's bond, as required by the Insolvency Practitioners Regulations 2005 and reviewing the adequacy of the bond periodically;
- Writing to all known creditors as soon as reasonably practicable following appointment to provide notice of the appointment and initial details of the administration;
- Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette;
- Preparing a paragraph 49 Report and formulating the Joint Administrators' Statement of Proposals.

This work does not provide a direct financial benefit to creditors, however, is required in accordance with relevant insolvency legislation and best practice guidelines.

Investigations

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.

In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS). As this is a confidential report, I am not able to disclose the contents.

Pursuant to the requirements of Statement of Insolvency Practice 2, shortly after my appointment, I made an initial assessment as to whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account a preliminary review of the Company's

financial records and information provided by creditors as a response to my request to complete an investigation questionnaire. The initial assessment concluded that further investigations would be required into various matters including transactions with connected companies, and the significant extent of the Company's liabilities to trade and crown creditors with reference to potential wrongful trading pursuant to Section 246ZB of the Act.

Due to the scale and complex nature of the Company's operations, and the significant extent of its physical and electronic records, work conducted in respect of the investigations to date has been time consuming. At the time of circulation of this report, our investigations team are continuing this work with a focus on determining the point at which the directors knew or ought to have known that the Company could not avoid a formal insolvency and whether formal claims can effectively be brought by the administrators with the objective of achieving further recoveries for the benefit of the estate.

Due to the ongoing nature of these investigations, it is not considered to be appropriate to provide further detail to creditors at this stage, and a further update will accordingly be provided within our next progress report.

Realisation of assets

Contracts & Retentions

As set out in my previous report, following our appointment, Antony Berg of Williams & Partners Limited ("WAPL"), an independent firm of professional valuers and insolvency agents, was instructed to conduct an assessment of the Company's assets and to assist in the realisation of any assets considered to retain net value to the estate.

At this time the Company had one remaining contract, which was with a large housing association developer client and in respect of which work had ceased indefinitely. In January 2022, we received correspondence from the client's legal representatives, seeing our agreement to a novation of the contract to a connected entity of the Company and Fortis Developments Limited ("FDL"), which was a party to the contract as guarantor of the Company's obligations, and therefore required to bring the project to completion as a consequence of the Company's insolvency and permanent cessation of trading.

WAPL's review confirmed that the contract in question was heavily loss making, with work costing at least £4 million required in order to potentially secure future contractual receivables of circa £2 million. However, given FDL's position as guarantor of the Company's contractual obligations, and the fact that completion of the works could give rise to the release of retentions applicable to periods prior to the novation, it was considered that there could be value to the estate through an assignment of these potential receivables to the connected entity guarantor.

Consequently, before agreeing to the proposed novation, and with the objective of maximising realisations for the benefit of the Company's estate, discussions were held with FDL between February and April in order to seek an agreement whereby the Company would assign certain rights to any further retentions in exchange for an appropriate payment. During the period of these discussions we also remained in ongoing communication with the developer client's legal representatives regarding terms and timings in respect of the novation agreement.

A formal Reimbursement Deed was eventually completed in April 2022, providing that FDL would make payments amounting to £82,500 into the Company's estate in exchange for an assignment of the right to the first £500k of any released retentions, with any retentions released above this threshold to be split 85/15 between FDL and the Company. The agreement provided that the consideration would be paid by way of an initial payment of £32,500 14 days after completion, followed by £25,000 42 days after completion and finally £25,000 70 days after completion.

Pursuant to Statement of Insolvency Practice 13 I would advise that FDL is a connected party of the Company due to its association via the common control of Gareth Morgan, Kieran Moore and Darren McLellan. As a consequence of FDL's position as contract guarantor and the onerous nature of the contract, there was only ever potential value to it in a transaction of this nature, and consequently, there would have been no asset to sell to an

unconnected entity. This transaction was accordingly necessary with a view to maximising recoveries for the benefit of the estate.

The Reimbursement Deed and Novation Agreement were completed on 26 April 2022. Unfortunately, following completion of the Reimbursement Deed, FDL has failed to process the payments due to the Company pursuant to its terms. Consequently, ongoing correspondence with FDL and its representatives has been required in order to ascertain its position and compel payment. At the time of circulation of this report, these discussions remain ongoing, however, if a prompt resolution cannot be reached, formal recovery action against FDL will be initiated. A further update will accordingly be provided within our next progress report.

Office Furniture & Equipment

The Company owned general office furniture and equipment which, at the time of our appointment, was located at its former offices in Manchester. Following a review it was determined that the costs of removal and sale of these items would outweigh any potential realisable value to the Company's estate, and consequently, with no prospect of an in-situ sale, relevant items were abandoned. However, the Company's physical server was taken into our custody as set out above in my comments on the recovery of the Company's records.

Retention of Title ("ROT") & Third Party Assets

As mentioned in our previous report, a number of trade creditors had lodged claims for Retention of Title over supplies rendered to the Company prior to administration, and claims of this nature have continued to be received periodically throughout the appointment to date. Consequently, adjudication of these ROT claims has been required in each instance, with this work involving reviews of applicable supplier contract terms, information gathering from the directors in respect of dates and nature of supplies subject to ROT claims, and reviewing applicable financial records in each instance. Due to the complex nature and significant extent of certain supplies subject to ROT claims, including a £750k bespoke roof in one instance, legal assistance from HCR has been necessary in certain circumstances.

Additionally, ongoing issues have arisen whereby certain creditors have supplied plant and equipment to the Company's former sites pursuant to rental or lease hire arrangements, with these items remaining on site at the time of the Company's cessation of trading. Notable examples include suppliers of site portacabins at one former development location, and scaffolding for an entire residential block at another. Where claims of this nature have arisen, ongoing discussions and correspondence have accordingly been required with both the suppliers and entities controlling access to the relevant locations in order to facilitate either the removal of applicable equipment or arrangements for transfer of supplier agreement to other entities.

Adjudication Award

It was apparent from our review of the Company's records that, in November 2021, it had received an adjudication award in its favour of £97,279 in respect of a dispute with a former sub-contractor, GWN Contracts Limited ("GWN"). Accordingly, we contacted the solicitors who had acted for the Company in respect of the adjudication proceedings to discuss the current position in respect of the award and potential routes for enforcement against GWN.

Shortly after these discussions we were notified that GWN had in fact been placed into Compulsory Liquidation on 5 April. Formal documentation lodging the Company's claim in GWN's estate was accordingly submitted, and we sought further information on the position of GWN's assets from its liquidator, from which it was apparent that the prospect of any return to unsecured creditors from GWN's estate is unlikely. This adjudication award is therefore not expected to yield any recovery for the benefit of the Company's estate.

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

Secured Creditor

It has been necessary to deal with the queries of the secured creditor, FUHL, and also to engage in correspondence seeking further information on its transactions with the Company and sums secured under its charge for assistance with both the validation of its debenture and the investigations set out above.

Following our appointment HCR were instructed to perform the validation of the FUHL debenture. As part of this work HCR reviewed the charge along with records relevant to FUHL's transactions with the Company contributing to the debt secured under the charge. HCR concluded that the charge was valid and enforceable at the time of the appointment.

Employees

Following the formulation and submission of the relevant schedules to the Redundancy Payments Service (RPS) shortly after our appointment, and as set out in more detail within my previous report, it has been necessary to continue to provide ongoing advice and support to the former employees regarding the calculation, submission and processing of claims, as well as dealing with daily general queries and concerns and requests for confirmation of employment references for new employment.

Trade & Expense creditors

The unsecured claims of the Company's trade and expense creditors have been lodged on our internal case management system when received. Ongoing work has been required in acknowledging claims, answering telephone and email enquiries from creditors and dealing with correspondence therewith.

Due to the sheer number of creditors in the estate work required in this regard has been time consuming, with enquiries continuing to be received on a regular basis since our appointment.

Insurance Claims

The Company is subject to certain claims from sub-contractors and clients regarding incidents occurring in recent years at its construction sites. These claims have primarily been dealt with by the Company's insurers, however, we have had to comply with requests from the insurers' instructed legal representatives to deliver up certain information from the Company's records.

In certain instances, the Company's insurers have rejected cover for claims. Where relevant we have consequently been required to deal with correspondence from legal representatives of the various claimants and claimants' insurers. Several of these matters remain ongoing at the time of circulation of this report, and the extent of future work required in dealing with these claims is currently uncertain.

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

Decision Procedure – Convening decision procedures of the Company's creditors via Deemed Consent and Correspondence to seek approval of the Joint Administrator's Statement of Proposals and fix the basis of the Joint Administrators' remuneration.

Pensions

- Seeking information from the Company's officers on the Company's pension scheme and any contributions deducted from salaries that were not passed on to the scheme.
- Liaising with the Company's pension scheme provider in order to formulate relevant information for completion and submission of RP15 and RP15a forms in order that pre-administration contributions not passed to the scheme be claimed.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals and are summarised as follows:

Secured creditors

Fortis UK Holdings Limited ("FUHL") holds a fixed and floating charge debenture over the Company's assets, created on 9 July 2021 and registered at Companies House on 20 July 2021. According to the Directors' Statement of Affairs, the outstanding balance at 13 January 2021 was £4,427,945.

The proportion of the intercompany liability validly falling under the debenture will be subject to our investigations if appropriate, however, due to the anticipated extent of preferential claims, and the Company's assets falling under the floating as opposed to fixed charge, realisations in the estate are not expected to amount to a sum sufficient to facilitate any distribution to FUHL.

Preferential creditors

Potential preferential claims of employees for arrears of wages and accrued holiday pay as at 13 January 2022 were estimated at £18,131 within the directors' Statement of Affairs. Following payment by the Redundancy Payments Service ("RPS"), the majority of these claims have now been subrogated to the Secretary of State. I am yet to receive details of the RPS's final claim in the estate.

Based on current information, it is considered that there will be sufficient realisations in the estate to facilitate a distribution to preferential creditors, however, the extent of the eventual distribution is currently uncertain.

Secondary preferential creditors

HM Revenue & Customs hold secondary preferential status in respect of certain claims in insolvent estates. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student Loan deductions and Construction Industry Scheme deductions fall under this secondary preferential status.

HM Revenue & Customs is yet to lodge a secondary preferential claim in the estate, however, this was estimated at £555,863 within the directors' Statement of Affairs. Based on current information, the prospect of a distribution to secondary preferential creditors is uncertain.

Unsecured creditors

Claims of unsecured non-preferential creditors were estimated at circa £7 million in the directors' Statement of Affairs. To date, claims totalling £8,610,535.12 have been lodged by 73 creditors.

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a general dividend to be paid to the unsecured creditors.

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 distributions 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 £800,000

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)).

Based on current information we believe that realisations in the estate will be insufficient to discharge the Company's preferential creditors in full. Consequently, the value of the Company's net property will be nil.

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 22 March 2022 the following amounts in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure by correspondence:

Description	Name of receipt	Net amount £	VAT £	Gross amount £
Fees in relation to pre-appointment work.	Begbies Traynor	13,312.50	£2,662.50	£15,975.00

7. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters as set out in the fees estimate. The initial fees estimate provided to creditors at the time of approval of our remuneration was £169,275.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9), 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 13 January 2022 to 12 July 2022 amount to £151,528 which represents 364 hours and 54 minutes at an average rate of £415.26 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period from 13 January 2022 to 12 July 2022
- ❑ Begbies Traynor (London) LLP's charging policy

To 12 July 2022, we have drawn the total sum of £50,000 on account of our remuneration.

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

Category 1 Expenses

Category 1 expenses are set out in detail at section 4 and Appendix 3 to this report.

Category 2 Expenses

To date, no category 2 expenses have been charged to the estate.

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. 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.

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

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

Periodic internal reviews in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Continuing to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team to assess case status and ensure adherence to these requirements. Standard case reviews will continue to be conducted and documented periodically.

Whilst work undertaken in this category does not provide a direct financial benefit to creditors, it is a necessary part of the general control of all formal insolvency appointments.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken during the period under this heading is the following:

- Preparation and circulation of progress reports on a six monthly basis;
- Periodic reviews of the Administrators' bond, as required by the Insolvency Practitioners Regulations 2005;

- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations;
- Filing and circulation of requisite documentation in respect of the proposed extension of the administration period;
- Preparation of the final account and relevant forms in order to close the administration and move the Company to dissolution;

This work does not provide a direct financial benefit to creditors, however, is required in accordance with relevant insolvency legislation and best practice guidelines.

Investigations

As detailed above in section 4, further investigations were required considered to be appropriate following our initial assessment, and these investigations are in progress at this time.

In the event that claims are identified through these investigations and pursuit of the relevant respondents is considered to be beneficial for the estate, additional work will be required in formulating and bringing claims in the appropriate manner and working with our legal team in this regard. As a conclusion has not been reached as to whether there are claims to be brought, the extent of the future investigations work required is not currently ascertainable.

Realisation of assets

Reimbursement Deed - We are continuing to engage in correspondence with FDL regarding the three scheduled payments, totalling £82,500, which are now overdue. It will accordingly be necessary to continue efforts to ensure payment of the outstanding sum due is received in full, and if necessary to initiate formal recovery action to secure recovery of the sum due for the benefit of the estate. The extent and nature of the work that will be required in this regard is currently uncertain.

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

Secured Creditor – Work will be required in continuing to deal with any queries received from the secured creditor regarding the progress of the administration and other general matters. It may also be necessary to request further information from the secured creditors regarding its transactions with the Company in order to assist with ongoing investigation work.

Primary Preferential Creditors

At the time of entering administration the Company had 22 employees, all of whom were made redundant prior to commencement of the administration. The majority of staff were owed arrears of wages and accrued holiday pay at the point of redundancy, elements of which rank as a primary preferential claims in the estate.

As a distribution to primary preferential creditors is anticipated, the following future work will be required:

- Liaising with the Redundancy Payments Service ("RPS") in order to receive final details of its preferential claim in the estate;
- Adjudicating and agreeing the final preferential claim lodged in the estate by the RPS;
- Establishing which of the Company's former employees retain residual preferential claims directly in the Company's estate and assisting with the calculation of these claims;
- Writing to applicable employees to seek confirmation of final residual preferential claims and adjudicating and agreeing each claim;
- Formal declaration of the dividend and processing relevant payments via Bacs or cheque;
- Dealing with all enquiries from former employees in respect of the dividend.

Secondary Preferential Creditors

In the event that realisations in the estate are of a sufficient level to facilitate a distribution to HM Revenue & Customs in respect of its secondary preferential claim the following work will be required:

- Adjudication and agreement of HMRC's final secondary preferential claim;
- Formal declaration of the dividend and processing of relevant payment;
- Liaising with HMRC in respect of any additional information required or discrepancies with the Company's records.

Unsecured non-preferential creditors – Although a distribution to unsecured creditors is not anticipated, it will be necessary to continue to lodge claims on our internal management system as and when received, along with dealing with all unsecured creditors correspondence regarding investigations and other general matters.

Retention of Title creditors – Due to the significant extent of the Company's operations when trading, it is possible that further claims from creditors asserting Retention of Title over supplies rendered to the Company could emerge. It will accordingly be necessary to deal with claims of this nature, which can be complex and time consuming, as and when required.

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

VAT – Completing and submitting VAT returns periodically in order to ensure that VAT on estate outputs and inputs is accounted for in a timely fashion.

Corporation Tax – Completion and submission of relevant Corporation Tax returns for the administration period and obtaining requisite tax clearance to close the case from HM Revenue and Customs at the relevant time.

Extension of administration – Seeking the express consent of the secured creditor to an extension of the administration period and convening a decision of creditors via Deemed Consent in order to obtain consent for the same.

How much will this further work cost?

Much of the 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the administration as envisaged. Although the approved level of our fees estimate is yet to be exceeded, based on current information it is likely that the cost of bringing this matter to a conclusion will significantly outweigh the amount approved by creditors previously. Consequently, it is likely that further fee approval will be sought from creditors in due course.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £169,275, and subsequently you have provided approval for us to draw our remuneration up to that level. As stated above, it is apparent that costs of bringing the case to a conclusion will exceed the initial estimate, however, due to the current uncertainty as to the extent of the further work required to finalise all matters, and in particular that related to the ongoing investigations and potential pursuance of any claims identified, the anticipated final cost of administering the estate is not currently ascertainable. A further update will accordingly be provided within our next progress report.

10. OTHER RELEVANT INFORMATION

Extension of administration

The administration is currently set to end on 12 January 2023, however, it is now apparent that all matters will not have been finalised by this date, and consequently that an extension of the administration will be required.

Accordingly, a Notice of Decision by Deemed Consent requesting the consent of creditors to an extension of the administration for an additional period of up to one year will be circulated in due course, and the express consent of the secured creditor to the extension will also be sought separately.

An extension of the administration for an additional period of up to one year is required for the following reasons:

- Investigations are currently ongoing into various matters as set out earlier in this report. Due to the complexity and extent of the Company's operations these investigations have been time consuming. An extension of the administration period is required in order to allow sufficient time to conclude these investigations and pursue any claims identified that it is considered could lead to additional recoveries for the estate.
- As set out at section 4, sums due to the estate pursuant to the Reimbursement Deed are currently overdue. The receivables due pursuant constitute the Company's largest remaining asset. It would therefore be prudent to obtain an extension of the administration period in order to ensure that the consideration is received into the estate, and if necessary, to allow time to initiate formal recovery action against the purchaser in order to secure payment.
- The final sum available for distribution to preferential creditors will not be ascertainable until the outstanding investigation and asset realisation matters above are finalised, and the proposed extension is therefore also required in order to ensure the eventual distribution can be processed with all other administrative matters brought to a conclusion before the administration is closed.

It is considered that the proposed extension will allow sufficient time for all matters to be finalised before the Company is moved to dissolution, however, should this extension be obtained and a further extension beyond 12 January 2024 be required this will be sought via an application to the Court.

Proposed exit route from administration

Following completion of all outstanding matters, the Company will move from Administration to dissolution pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986.

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

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 'Asher D Miller', with a horizontal line drawn underneath the signature.

Asher D Miller FCA
Joint Administrator

Dated: 10 August 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 January 2022 to 12 July 2022

BEAUMONT MORGAN DEVELOPMENTS LIMITED - IN ADMINISTRATION**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT****FOR THE PERIOD FROM 13 JANUARY 2022 TO 12 JULY 2022**

	<u>Realised</u> <u>to date</u> £	<u>P/E</u> <u>12/07/2022</u> £
<u>Receipts</u>		
Cash Held on Appointment	9,000.00	9,000.00
Cash at Bank	205,701.90	205,701.90
Sundry Receipts	318.17	318.17
Petty Cash	17.46	17.46
Bank Interest Received	5.91	5.91
	<u>215,043.44</u>	<u>215,043.44</u>
<u>Payments</u>		
Statement of Affairs	13,312.50	13,312.50
Specific Bond	74.25	74.25
Statutory Advertising	103.50	103.50
Travel and Subsistence	242.34	242.34
Server Backup	1,632.86	1,632.86
Insurance	560.00	560.00
Legal Fees	17,250.00	17,250.00
Sundry Expenses	24.00	24.00
Joint Administrators' Remuneration	50,000.00	50,000.00
	<u>83,199.45</u>	<u>83,199.45</u>
<u>Receipts less Payments</u>	<u>131,843.99</u>	<u>131,843.99</u>
<u>Represented by:-</u>		
Balance at Bank	115,364.57	
VAT Recoverable	<u>16,479.42</u>	
	<u>131,843.99</u>	

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 January 2022 to 12 July 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 fees 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.

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.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an 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 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
Consultant/Partner	690
Director	580
Senior Manager	500
Manager	475
Assistant Manager	385
Senior Administrator	340
Administrator	260
Trainee Administrator	190
Support	175

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

* Statement of Insolvency Practice 9, (SIP9) – Payments to insolvency office holders and their associates from an estate

SIP9 Beaumont Morgan Developments Limited - Administration - 23BE693.ADM : Time Costs Analysis
From 13/01/2022 To 12/07/2022

Staff Grade		Consultant/Partner	Snr Mngr	Snr Admin	Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	2.0	0.3		0.5		2.8	1,660.00	592.86
	Administration	0.3	5.6	22.2	44.9		73.0	22,229.00	304.51
	Total for General Case Administration and Planning:	2.3	5.9	22.2	45.4		75.8	23,889.00	315.16
Compliance with the Insolvency Act, Rules and best practice	Appointment	2.0	4.9	3.7	7.8		18.4	7,116.00	386.74
	Banking and Bonding		0.8	0.4		3.6	4.8	1,166.00	242.92
	Case Closure								0.00
	Statutory reporting and statement of affairs	3.2	19.1		6.2		28.5	13,370.00	469.12
	Total for Compliance with the Insolvency Act, Rules and best practice:	5.2	24.8	4.1	14.0	3.6	51.7	21,652.00	418.80
Investigations	CDDA and Investigations	5.8	54.8	3.2	17.8		81.6	37,118.00	454.88
	Total for Investigations:	5.8	54.8	3.2	17.8		81.6	37,118.00	454.88
Realisation of assets	Debt collection		2.2				2.2	1,100.00	500.00
	Property, business and asset sales	19.5	6.6		0.3		26.4	16,833.00	637.61
	Retention of Title/Third party assets	2.0	3.8		5.4		11.2	4,684.00	418.21
	Total for Realisation of assets:	21.5	12.6		5.7		39.8	22,617.00	568.27
Trading	Trading								0.00
	Total for Trading:								0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured		1.5				1.5	750.00	500.00
	Others	13.8	26.9	20.4	41.5		102.6	40,698.00	396.67
	Creditors committee								0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	13.8	28.4	20.4	41.5		104.1	41,448.00	398.16
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors		1.0				1.0	500.00	500.00
	Meetings								0.00
	Other	0.4	4.1	0.2	4.9		9.6	3,868.00	382.08
	Tax			0.5	0.2		0.7	222.00	317.14
	Litigation	0.6					0.6	414.00	690.00
	Total for Other matters:	1.0	5.1	0.7	5.1		11.9	4,804.00	403.70
	Total hours by staff grade:	49.6	131.6	50.6	129.5	3.6	364.9		
	Total time cost by staff grade £:	34,224.00	65,800.00	17,204.00	33,670.00	830.00		151,528.00	
	Average hourly rate £:	690.00	500.00	340.00	260.00	175.00			415.26
	Total fees drawn to date £:							50,000.00	

APPENDIX 3

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				
Agent's fees	Williams & Partners LLP	Fixed valuation report fee of £2,000 plus commission of 10% on realisations from Reimbursement Deed.	Nil	Uncertain
Legal fees	HCR Sprecher Grier	17,250.00	17,250.00	Nil
Statutory advertising	Courts Advertising	£103.50	£103.50	Nil
Bond	AUA	£148.92	£74.46	£74.46
Insurance	Aon Insurance	£560	£560	Nil
Travel and subsistence	Various	£242.34	£242.34	Nil
Server backup costs	IT4 Business Ltd	£1,632.83	£1,632.86	Nil
Sundry search fees	Various	£24	£24	Nil