



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

1 Company details

Company number 0 7 6 1 9 2 2 3

Company name in full Beaumont Morgan Developments Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

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

Surname Katz

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town Finchley

County/Region London

Postcode N 1 2 8 L Y

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 8	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
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**Presenter information**

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

Contact name **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**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

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 July 2022 to 12 January 2023

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

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 13 July 2022 to 12 July 2023 and a cumulative receipts and payments account from 13 January 2022 to 12 July 2023.

1. Receipts

1.1 Reimbursement Deed

The sum of £7,500 has been received from Fortis UK Holdings Limited ("FUHL") pursuant to the Reimbursement Deed referred to in our last progress report. Further details are provided later in this section.

1.2 Bank interest

Interest earned on funds in hand amounts to £17.10.

2. Payments

2.1 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.

2.2 Joint Administrators' Remuneration

Remuneration drawn during the period under review amounts to £60,000 plus VAT.

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.

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 the Administrators first 6 monthly progress report in August 2022;
- Period reviews of the Joint Administrator's 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.

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 mentioned in our previous progress reports, further investigations were considered to be appropriate following our initial assessment. The various investigations included reviewing transactions with connected companies, and considering 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.

These investigations have continued during the period in review and are yet to reach a conclusion. Accordingly, it is not considered to be appropriate to provide further details to creditors at this time, and a further update will be provided within our next progress report.

Realisation of assets

Reimbursement Deed

Creditors will recall from our previous progress report that a formal Reimbursement Deed and Novation Agreement for the Company's one remaining contract were completed in April 2022 and that Fortis UK Holdings Limited and Fortis Developments Limited ("FDL") had failed to process the payments due to the Company pursuant to its terms.

After engaging in ongoing correspondence with FDL and the guarantor FUHL, a revised monthly payment plan was agreed in January 2023, with the balance due of £82,500 to be paid by way of 11 equal monthly instalments of £7,500 commencing January 2023 and set to conclude by November 2023. I am pleased to report that the first monthly instalment has been received pursuant to the revised payment plan.

Third-Party Assets and Retention of Title claims

As mentioned in our previous reports, a number of trade creditors had supplied equipment to the Company's former sites pursuant to rental or lease hire arrangements, with certain third-party owned items remaining on site at the time of the Company's cessation of trading. 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. In this regard, during the period in review this work has included engagement with the supplier of a large quantity of scaffolding to one of the Company's previous development sites, which remained in situ resulting in an ongoing dispute between the supplier and developer. Additionally, further correspondence has been required with certain creditors claiming Retention of Title over supplies rendered to the Company prior to administration.

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 the investigations set out above.

Primary Preferential Creditors

Correspondence with the Redundancy Payments Service in order to obtain details of its final preferential claim in the estate.

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 and during the period in review.

Other matters which includes seeking decisions of creditors via 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 transactions is administered correctly.

Extension of Administration – Creditors will recall that a Notice of Decision via Deemed Consent was circulated in September 2022, in order to obtain consent from the unsecured creditors to an extension of the administration period for an additional 12 months, in order to allow sufficient time to conclude the ongoing investigations and pursue any claims identified that could lead to additional recoveries for the estate and to collect sums due to the estate pursuant to the Reimbursement Deed. No objections to the proposed decision were received and the express consent of the secured creditor to the extension was also obtained. Consequently, the relevant documentation confirming the extension was filed with Companies House and the Court and made available to creditors.

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 would 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, it is apparent that realisations in the estate will not 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 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 have received a preferential claim from the RPS in the sum of £7,526.71 and certain employees will also retain residual preferential claims in respect of their unpaid wages and accrued holiday pay.

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 £8,831,710.52 have been lodged by 79 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 July 2022 to 12 January 2023 amount to £42,486.50 which represents 111 hours and 18 minutes at an average rate of £381.73 per hour. I have also reviewed my cumulative time costs for the period from 13 January 2022 to 12 January 2023 and would report that my total time costs are £194,014.50 for 476 hours and 12 minutes which equated to an average cost of £407.42 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 July 2022 to 12 January 2023
- ❑ Cumulative costs Analysis for the period from 13 January 2022 to 12 January 2023
- ❑ Begbies Traynor (London) LLP's charging policy

To 12 January 2023, we have drawn the total sum of £110,000 on account of our remuneration, against total time costs of £194,014.50 incurred since the date of our appointment.

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

The time costs incurred in respect of the work undertaken during the administration have exceeded the limit of our approved remuneration by £24,739.50. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved by creditors.

As is clear from the detailed narrative documenting the work undertaken to date included at section 4 of this and our previous progress reports, along with the time costs analysis at Appendix 2, the extent of the work and resultant time costs incurred during the Administration to date has been greater than initially anticipated.

As explained, work required in respect of the investigations conducted since our appointment has been substantial, with matters requiring further work identified following our initial assessment resulting in additional correspondence with various parties and further interrogation of the Company's electronic records. Additionally, the work required in initially negotiating the terms of the Reimbursement Deed, and subsequently pursuing the sums due under the Deed and in corresponding with the counterparties to discuss and agree revised payment terms has been time consuming. Work on these matters has been necessary to explore all potential routes to achieving recoveries for the estate and arising from this work a total recovery of £82,500 is anticipated pursuant to the Reimbursement Deed with consideration of potential claims ongoing.

Correspondence with creditors, with particular reference to dealing with numerous complex claims for Retention of Title over various supplies rendered to the Company prior to administration, along with providing appropriate authorisations regarding the collection of third party items located at the Company's former sites and dealing with resultant disputes arising between the suppliers in question and the parties controlling access to applicable locations has also been time consuming, with enquiries of this nature continuing to be received periodically.

Additionally, the Company was subject to a number of ongoing insurance claims arising during the course of its trading activities, and substantial time has been required in dealing with requests for information received from

various solicitors instructed by the Company's insurers, and location, reviewing and providing requisite documentation from the Company's records when appropriate to enable the claims to be dealt with accordingly.

Finally, due to the complex nature of the case and substantial number of stakeholders in the Company's business, time spent on general case planning, strategy and administrative matters has exceeded that initially forecast.

In light of the above, we are obliged to provide creditors with details of the work that has been undertaken to date, which is documented in detail in this and our previous progress reports, along with the work we propose to undertake to bring all matters to a conclusion as set out at section 9 of this report. A summary of the estimated increase in the fees that will be incurred is provided at Appendix 2. The further fees estimate comprises both the additional time costs already incurred in respect of the work conducted to date and the estimated future time costs required during the administration in order to bring all matters to a conclusion. Based on current information we do not anticipate that we will need to seek further approval following the proposed increase to our remuneration.

We are accordingly seeking creditors' approval of our further remuneration via a decision procedure by correspondence. The documentation pertaining to the decision procedure that we request creditors complete and return has been sent at the time of circulation of this progress report.

Category 1 Expenses

The amount of £74.25 in respect of bonding has been drawn during the period in review. Expenses incurred and drawn during the course of the administration to date are set out in Appendix 3.

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. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

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;
- 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 deemed 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

As documented earlier in this report, a revised payment plan was recently agreed in respect of the sums due to the Company under the terms of the Reimbursement Deed. Accordingly, we will be required to continue to monitor receipt of the instalments of £7,500 due each month, and to issue requisite chasing correspondence when required until the full consideration of £82,500 has been received. 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.

Primary Preferential Creditors

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.

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.

Discharge of the Joint Administrators – Preparation of requisite documentation in order to convene a decision of the Company's creditors on the discharge of the Joint Administrators.

Extension of the Administration – Following the earlier extension of the administration period obtained via the consent of the Company's creditors, the administration is currently set to end on 12 January 2024. In the event that it is determined that all matters cannot be concluded by this date, an application to Court requesting a further extension of the administration period will be required. In this regard, costs may be incurred in preparing the requisite Court application and Witness Statement, and in instructing solicitors to act.

How much will this further work cost?

As can be seen above, there are additional elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The time costs for the work conducted during the course of the administration over and above the originally approved fees estimate amount to £24,739.50. The time costs to be incurred in respect of the future work set out above are estimated to be £27,500.50. Together these amounts comprise the further fees estimate at Appendix 2 which is in addition to the original remuneration approval we received in March 2022. As previously advised, we are seeking creditor approval for the fair and reasonable increase in our remuneration. We do not anticipate that we will need to approach creditors for a further increase following this request, unless circumstances greatly change again or further unforeseen work is required.

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, the costs of administering the case have exceeded the amount approved by creditors and it is apparent that further expenses will be incurred to bring the Administration to a conclusion. Consequently, approval is being sought from creditors for an increase of up to £52,240 in the approved level of our remuneration.

10. OTHER RELEVANT INFORMATION

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.



Asher D Miller FCA
Joint Administrator

Dated: 8 February 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 January 2022 to 12 January 2023

BEAUMONT MORGAN DEVELOPMENTS LIMITED - IN ADMINISTRATIONJOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNTFOR THE PERIOD FROM 13 JANUARY 2022 TO 12 JANUARY 2023

	<u>Realised</u> <u>to date</u> £	<u>P/E</u> <u>12/01/2023</u> £
<u>Balance brought forward</u>		131,843.99
<u>Receipts</u>		
Cash Held on Appointment	9,000.00	0.00
Cash at Bank	205,701.90	0.00
Reimbursement Deed	7,500.00	7,500.00
Sundry Receipts	318.17	0.00
Petty Cash	17.46	0.00
Bank Interest Received	23.01	17.10
	<u>222,560.54</u>	<u>139,361.09</u>
<u>Payments</u>		
Statement of Affairs	13,312.50	0.00
Specific Bond	148.50	74.25
Statutory Advertising	103.50	0.00
Travel and Subsistence	242.34	0.00
Server Backup	1,632.86	0.00
Insurance	560.00	0.00
Legal Fees	17,250.00	0.00
Sundry Expenses	24.00	0.00
Joint Administrators' Remuneration	110,000.00	60,000.00
	<u>143,273.70</u>	<u>60,074.25</u>
<u>Receipts less Payments</u>	<u>79,286.84</u>	<u>79,286.84</u>
<u>Represented by:-</u>		
Balance at Bank	75,286.84	
VAT Recoverable	<u>4,000.00</u>	
	<u>79,286.84</u>	

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 July 2022 to 12 January 2023;
- c. Cumulative Time Costs Analysis for the period from 13 January 2022 to 12 January 2023.
- d. Estimated increase to our approved remuneration.

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 - Time Costs Analysis From 13/07/2022 To 12/01/2023

Staff Grade		Consultant/Partner	Snr Mngr	Snr Admin	Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning				0.4		0.4	104.00	260.00
	Administration	0.3	3.7	8.3	4.8		17.1	6,127.00	358.30
	Total for General Case Administration and Planning:	0.3	3.7	8.3	5.2		17.5	6,231.00	356.06
Compliance with the Insolvency Act, Rules and best practice	Appointment				1.6		1.6	416.00	260.00
	Banking and Bonding		0.6	2.0	1.1	3.5	7.2	1,878.50	260.90
	Case Closure								0.00
	Statutory reporting and statement of affairs	1.5	10.3	1.0	13.1		25.9	9,931.00	383.44
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.5	10.9	3.0	15.8	3.5	34.7	12,225.50	352.32
Investigations	CDDA and investigations		2.1		4.1		6.2	2,116.00	341.29
	Total for Investigations:		2.1		4.1		6.2	2,116.00	341.29
Realisation of assets	Debt collection		0.5				0.5	250.00	500.00
	Property, business and asset sales	2.8	0.5		0.4		3.7	2,286.00	617.84
	Retention of Title/Third party assets		3.8		3.0		6.8	2,680.00	394.12
	Total for Realisation of assets:	2.8	4.8		3.4		11.0	5,216.00	474.18
Trading	Trading								0.00
	Total for Trading:								0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured								0.00
	Others	2.3	8.8	3.7	15.9		30.7	11,379.00	370.65
	Creditors committee								0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	2.3	8.8	3.7	15.9		30.7	11,379.00	370.65
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors		6.0				6.0	3,000.00	500.00
	Meetings								0.00
	Other								0.00
	Tax	1.3	0.6	3.3			5.2	2,319.00	445.96
	Litigation								0.00
	Total for Other matters:	1.3	6.6	3.3			11.2	5,319.00	474.91
	Total hours by staff grade:	8.2	36.9	18.3	44.4	3.5	111.3		
	Total time cost by staff grade £:	5,658.00	18,450.00	6,222.00	11,544.00	612.50		42,486.50	
	Average hourly rate £:	690.00	500.00	340.00	260.00	175.00			381.73
	Total fees drawn to date £:							110,000.00	

SIP9 Beaumont Morgan Developments Limited - Administration - Time Costs Analysis From 13/01/2022 To 12/01/2023

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		0.9		3.2	1,764.00	551.25
	Administration	0.6	9.3	30.5	49.7		90.1	28,356.00	314.72
	Total for General Case Administration and Planning:	2.6	9.6	30.5	50.6		93.3	30,120.00	322.83
Compliance with the Insolvency Act, Rules and best practice	Appointment	2.0	4.9	3.7	9.4		20.0	7,532.00	376.60
	Banking and Bonding		1.4	2.4	1.1	7.1	12.0	3,044.50	253.71
	Case Closure								0.00
	Statutory reporting and statement of affairs	4.7	29.4	1.0	19.3		54.4	23,301.00	428.33
	Total for Compliance with the Insolvency Act, Rules and best practice:	6.7	35.7	7.1	29.8	7.1	86.4	33,877.50	392.10
Investigations	CDDA and investigations	5.8	56.9	3.2	21.9		87.8	39,234.00	446.86
	Total for Investigations:	5.8	56.9	3.2	21.9		87.8	39,234.00	446.86
Realisation of assets	Debt collection		2.7				2.7	1,350.00	500.00
	Property, business and asset sales	22.3	7.1		0.7		30.1	19,119.00	635.18
	Retention of Title/Third party assets	2.0	7.6		8.4		18.0	7,364.00	409.11
	Total for Realisation of assets:	24.3	17.4		9.1		50.8	27,833.00	547.89
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	16.1	35.7	24.1	57.4		133.3	52,077.00	390.68
	Creditors committee								0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	16.1	37.2	24.1	57.4		134.8	52,827.00	391.89
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors		7.0				7.0	3,500.00	500.00
	Meetings								0.00
	Other	0.4	4.1	0.2	4.9		9.6	3,668.00	382.08
	Tax	1.3	0.6	3.8	0.2		5.9	2,541.00	430.68
	Litigation	0.6					0.6	414.00	690.00
	Total for Other matters:	2.3	11.7	4.0	5.1		23.1	10,123.00	438.23
	Total hours by staff grade:	57.8	168.5	68.9	173.9	7.1	476.2		
	Total time cost by staff grade £:	39,882.00	84,250.00	23,426.00	45,214.00	1,242.50		194,014.50	
	Average hourly rate £:	690.00	500.00	340.00	260.00	175.00			407.42
	Total fees drawn to date £:							110,000.00	

THE ADMINISTRATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Administrators anticipate that in addition to their fees estimate dated 3 March 2022 in the sum of £169,275 the following further fees will be incurred to conclusion of the administration. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	22:30	9,100	404.44
Compliance with the Insolvency Act, Rules and best practice	17:30	7,170	409.71
Investigations	26:00	10,880	418.46
Realisation of assets	24:30	11,565	472.04
Dealing with all creditors' claims (including employees), correspondence and distributions	16:00	6,380	398.75
Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decisions procedures, meetings, tax, litigation, pensions and travel	17:30	7,145	408.29
Total hours	124:00		
Total time costs		52,240	
Overall average hourly rate £			421.29

For the reasons set out within the body of the report, the Joint Administrators are seeking an increase to their previously approved remuneration. The increase is based on the time costs incurred over and above the original fees estimate to the end of the period covered by this report of £24,739.50, plus the estimated time costs of the future work required to bring all matters to a conclusion of £27,500.50.

We have arrived at this increase by considering the nature and complexity of the work that is necessary to conclude the case, and we also believe that this increase is a fair and reasonable reflection of the same.

Dated: 8 February 2023

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bond	AUA	£148.92	£148.92	Nil

CUMULATIVE STATEMENT OF 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	£148.92	Nil
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