In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

TUESDAY

A831QRWP
A25 09/04/2019 #258
COMPANIES HOUSE

1 Company details

Company number	0 8 3 8 9 1 3 3
Company name in full	Powa Technologies Group plc

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Ian
Surname	Richardson

3 Administrator's address

Building name/number	No 1 Whitehall Riverside
Street	Whitehall Road
Post town	Leeds
County/Region	
Postcode	L S 1 4 B N
Country	

4 Administrator's name ❶

Full forename(s)	Nicholas S
Surname	Wood

❶ Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	30 Finsbury Square
Street	
Post town	London
County/Region	
Postcode	E C 2 P 2 Y U
Country	

❷ 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	1 1 / 0 9 / 2 0 1 8
To date	1 0 / 0 3 / 2 0 1 9

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	0 4 / 0 4 / 2 0 1 9

AM10
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	Joanne C Meadon
Company name	Grant Thornton UK LLP
Address	No 1 Whitehall Riverside
	Whitehall Road
Post town	Leeds
County/Region	
Postcode	L S 1 4 B N
Country	
DX	
Telephone	Tel/Fax

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

Grant Thornton

Powa Technologies Group plc - in administration (the Company)

Recovery and Reorganisation
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Joint administrators' progress report for the period 11 September 2018 to 10 March 2019

Prepared by: Ian Richardson, Joint Administrator

Contact details: Should you wish to discuss any matters in this report, please do not hesitate to contact Joanne C Meadon on 0161 214 6333

Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

Administration	Administration of the Company running from 11 September 2017
Joint Administrators	Ian Richardson and Nicholas S Wood of Grant Thornton UK LLP
Company	Powa Technologies Group plc
DFG	Grant Thornton UK LLP's Digital Forensic Group
Former Administration	Administration of the Company running from 19 February 2016 to 21 February 2017
Former Administrators	Nicholas Edwards and Robert Harding of Deloitte LLP
Grant Thornton	Grant Thornton UK LLP
VAT	Value added tax
Powa Technologies Limited	LTD
Period	11 September 2018 to 10 March 2019

1 Executive summary

- This progress report for the Company's administration covers the Period.
- *The Joint Administrators' proposals were approved on 24 November 2017 by decision procedure.*
- The key work done in the Period is:
  - Liaison with legal advisors
  - Correspondence with Former Administrators
  - Initial review of documents provided by Former Administrators
  - Internal discussions regarding strategy
  - Meetings and discussions with DFG
  - Statutory pensions work
  - Review of tax position
  - Preparation and circulation of progress report to creditors
  - Bank account administration
  - Applications to Court to extend the administration and obtaining a remuneration resolution
- Any return to the unsecured creditors will be wholly dependent on the success or otherwise of potential claims made on behalf of the Company.
- On 22 March 2019 the Court approved the Joint Administrators' request to extend the administration of the Company for a period of two years up to and including midnight on 11 June 2021. At the same time, the Court approved the Joint Administrators' request to fix their remuneration by reference to time costs with an additional uplift element. For information regarding payments, remuneration and expenses to the Joint Administrators or their associates, please refer to the respective 'Statement of Insolvency Practice 9 disclosure' at Appendix B.
- A decision of creditors is not being sought within this report.

Ian Richardson
Joint Administrator
Date: 4 April 2019

Please be aware fraudsters have been known to masquerade as legitimate administrators. Fraudsters will contact creditors asking for an upfront fee or tax. The Joint Administrators would never ask for such a payment nor instruct a third party to make such a request.

2 Progress to date

2.1 Strategy

Background

As you may be aware from previous progress reports, the Company had previously been placed into administration on 19 February 2016 with the Former Administrators being appointed as joint administrators of the Company. The appointment was made by the Company's secured creditors in their capacity as Qualifying Floating Charge Holders.

The Former Administrators subsequently signed a Notice of move from Administration to Dissolution on 17 February 2017. This notice was registered by Companies House on 27 February 2017; accordingly, the Former Administrators ceased to act on that date.

The Former Administrators were also appointed in respect of LTD, a closely related company, on 22 February 2016. A Notice of move from Administration to Dissolution was also signed on 21 February 2017 and registered at Companies House on 27 February 2017.

The Joint Administrators' Appointment

On 8 May 2017, an application was made by Aquila Investments Limited, supported by Rovio Limited, to the Court for the appointment of further administrators. On 11 September 2017, Nicholas S Wood and Ian Richardson were appointed as Joint Administrators of the Company by the Court.

As previously reported, the Joint Administrators made an application to Court on 8 May 2018, for the Joint Administrators to also be appointed as Joint Administrators of LTD. On 8 June 2018 the Order was granted.

As detailed in the Joint Administrators' Statement of Proposals dated 2 November 2017, the Joint Administrators are pursuing the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

2.2 Trading

No trade has been undertaken during the Period.

2.3 Realisation of assets

As previously reported, the Company holds no assets and no longer trades therefore the Joint Administrators are attempting to achieve the objective by pursuing potential claims for the benefit of the Company and its creditors.

2.4 Additional assets

As previously reported, the only potential assets in the Administration are the potential claims.

3 Creditors

3.1 Secured creditors

A number of creditors were granted a fixed and floating charge debenture over the Company's assets and are detailed below.

Persons Entitled	*Date of Debenture*
• Ithan Creek Master Investors (Cayman) L.P. C/O Wellington Management Company LLP • Wolf Creek Investors (Bermuda) L.P. C/O Wellington Management Company LLP • Bay Pond Investors (Bermuda L.P) C/O Wellington Management Company LLP • Bay Pond Partners L.P. C/O Wellington Management Company LLP	3 June 2014
• Wolf Creek Investors (Bermuda) L.P. • Ithan Creek Master Investors (Cayman) L.P. • Bay Pond Partners,L.P. • Bay Pond Investors (Bermuda) L.P.	16 November 2015
• Ithan Creek Master Investors (Cayman) L.P.	16 November 2015
• Ithan Creek Master Investors (Cayman) L.P. • Bay Pond Investors (Bermuda) L.P.	19 February 2016

3.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims will be subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

There were no employees as at the date of administration.

3.3 Prescribed part – unsecured creditors

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

At this stage, it is not possible to estimate the quantum of the prescribed part due to on-going invesitgations.

3.4 Non-preferential unsecured creditors

It is not yet clear whether there will be sufficient funds realised to enable a distribution to unsecured creditors.

4 Investigations into the affairs of the company

4.1 Statutory investigations

The Former Administrators, as required by the Companies Directors Disqualification Act 1986, reported to the Secretary of State the required facts about the Company's business and the conduct of its directors (including those acting within the past three years). The Insolvency Service has advised the Joint Administrators that there is no requirement for a further report to be made by the Joint Administrators.

4.2 Other investigations and progress since the Joint Administrators' Statement of Proposals

Following the Joint Administrators' appointment, certain of the Company's books and records including electronic records were obtained from the Former Administrators and reviewed. However, the Former Administrators advised that LTD and the Company's records were not segregated, and it would be a considerable and costly task to separate these records.

Rather than incurring this expense, and as detailed in Section 2.1 of this report, Nick S Wood and Ian Richardson were appointed as Joint Administrators of LTD on 8 June 2018.

As a result of this subsequent appointment, the Joint Administrators were able to make a request pursuant to Section 236 of the Insolvency Act 1986 for the Former Administrators to deliver up all records they hold in respect of the Company and LTD.

In October 2018 an electronic copy of the Company and LTD's records was received which included approximately 53 million files. In November 2018 the Joint Administrators received 94 bank boxes containing the Company and LTD's hard copy books and records.

The Former Administrator's files in respect of their previous appointments have also now been received, which were sent electronically in three tranches, the last of which was received in March 2019. DFG have advised that there is in excess of 61GB of data in these batches.

The Joint Administrators will require funding to properly investigate and (if appropriate) pursue the potential claims. As previously reported, an offer of funding has been received from a group of interested parties and we continue to liaise with them to agree the quantum and timing of such funding.

Once funding has been agreed, the Joint Administrators will be in a position to review the large number of records received.

5 Fees and costs

5.1 SIP9 disclosures

For information regarding payments, remuneration and expenses to the Joint Administrators and their associates, please refer to the respective 'Statement of Insolvency Practice 9 disclosure' at Appendix B to this report, which covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

6 Future strategy

6.1 Future conduct of the administration

The Joint Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Investigations into the Company's affairs prior and subsequent to the first administration;
- Consideration of potential claims and taking appropriate steps as a result of the Joint Administrators' investigations;
- Payment of administration expenses, including the Joint Administrators' remuneration;
- Agreeing the claims of the Company's creditors and payment of a dividend, if future realisations make this feasible;
- Finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns and settlement of any liabilities, and
- Complying with statutory and compliance obligations.

It is estimated that the administration will take approximately 24 months to be concluded due to the investigations required.

6.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement, unless it is extended with the permission of the creditors or the Court.

As noted above, the Court approved the Joint Administrators' request to extend the administration of the Company for a period two years up to and including midnight on 11 June 2021.

The order was granted on 22 March 2019.

6.3 Exit from administration

When all funds have been realised and distributed, the Administration will end by the Joint Administrators filing a notice to dissolve the Company. The Joint Administrators will nevertheless be empowered to present a petition for winding up of the Company if circumstances require.

6.4 Data Protection

Any personal information held by the Company will continue to be processed for the purposes of the administration of the company and in accordance with the requirements of data protection.

6.5 Future reporting

The next progress report to creditors is due by 10 October 2019.

A Abstract of the administrators' receipts and payments

A Abstract of the administrators' receipts and payments

Powa Technologies Group plc - in administration
Summary of receipts and payments
from 11 September 2017 to 10 March 2019

	Statement of Affairs £	From 11/09/2017 to 10/09/2018 £	From 11/09/2018 to 10/03/2019 £	Total £
Receipts				
Legal Disbursements		3,825.00	0.00	3,825.00
Advance to Lawyers		15,000.00	0.00	15,000.00
Third Party Funding		15,000.00	94,130.60	109,130.60
HMRC - VAT received/paid		0.00	21,392.84	21,392.84
		33,825.00	**115,523.44**	**149,348.44**
Payments				
Counsel Fees		3,825.00	0.00	3,825.00
Legal Fees		11,575.40	10,000.00	21,575.40
Legal Disbursements		997.10	33.00	1,030.10
Advance to Lawyers		15,000.00	0.00	15,000.00
VAT on Purchases		2,427.50	2,006.60	4,434.10
Trade Creditors		29,038.44	73,080.00	102,118.44
		62,863.44	**85,119.60**	**147,983.04**
Net Receipts/(Payments)		**(29,038.44)**	**30,403.84**	**1,365.40**
Made up as follows				
Floating Current Account NIB		0.00	9,212.84	9,212.84
Grant Thornton Loan Account		(29,038.44)	21,191.00	(7,847.44)
		(29,038.44)	**30,403.84**	**1,365.40**

Note:
Note that, as there have been no realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the administration in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the administration is closed but reserves its right to recover such balance should circumstances subsequently permit.

B Statement of Insolvency Practice 9 disclosure: payments, remuneration and expenses to the administrators or their associates

Payments, remuneration and expenses to the Joint Administrators or their associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

The Joint Administrators have chosen not to seek payment of their pre-appointment costs from the estate.

Post-appointment costs

Fee basis of the Joint Administrators

On 22 March 2019 the court ordered that the remuneration of the Joint Administrators be fixed under Rule 18.23 of the Insolvency (England and Wales) Rules 2016 by reference to:

(1) the time properly spent by the Joint Administrators and their staff in attending to matters arising in the administration, with a fee estimate of £403,585.38, at rates notified to creditors periodically, (i) with no success fee to the extent that fees are drawn from funding provided, and (ii) subject to a success fee of 100% of standard time costs to reflect the contingent nature of possible realisations and other professional costs (and therefore the recovery of the Joint Administrators' fees), to the extent that fees are not funded but are drawn from realisations achieved in the administration; and

(2) as a percentage of the value of the property with which the administrator has to deal, as set out below:

a) 2.5% of the return to funders on any proceeds up to and including £100 million; and
b) 5% of the return to funders on any proceeds over £100 million.

During the period from 11 September 2018 to 10 March 2019 time costs were incurred totalling £62,346 represented by 218 hours at an average cost of £286 per hour (as shown in the 'Work done' section below). A description of the work done is provided in the respective section below.

As time costs form the proposed fee basis the Joint Administrators provide, below, a fee estimate and details of the expenses that will be, or are likely to be, incurred - please see the 'fees estimate' section.

Work done by the Joint Administrators and their team during the Period

The Joint Administrators are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. The Joint Administrators have not previously provided a fee estimate to creditors because at the date of their last report, they were not in a position to estimate the costs of the administration. The Joint Administrators are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred		
Assets				**21 hrs**	**£6,883**	**£/hr 330**
General	• Liaison with legal advisors • Review of documents provided by the Former Administrators • Internal discussions	• To assist with obtaining third party information • To discuss funding requirements	• This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
Investigations				**107 hrs**	**£30,477**	**£/hr 284**
General	• Detailed review of data uploaded to Relativity, an e-discovery software solution platform • Liaison with legal advisors • Meetings and discussions with internal forensics department • Correspondence with the Former Administrators	• To investigate the affairs of the Company prior to the Joint Administrators' appointment • To extend the administration and obtain the Joint Administrators' remuneration resolution • To upload electronic data received from the Former Administrators into Relativity • To obtain the Company's books and records and the Former Administrators' working files	• This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
Creditors				**0.3 hrs**	**£74**	**£/hr 245**
Unsecured	• Correspondence with creditors	• To ensure that the creditors are kept informed of progress in the administration	• This work has no direct financial benefit to creditors			
Administration				**89 hrs**	**£24,913**	**£/hr 279**
Treasury, billing & funding	• Bank account administration	• To maintain the administration bank account	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors			
Tax	• Review of tax position	• The Joint Administrators have a duty to comply with the relevant tax legislation	• As above			

Pensions	• Statutory pensions work and advice given by specialist pension's team to the case manager.	• The Joint Administrators have a duty to comply with the relevant pension legislation	• As above			
General	• Internal file reviews • Preparation and circulation of progress report to creditors	• *It is essential to review cases regularly to* ensure the case is being carried out efficiently and in a cost-effective manner • It is a statutory requirement for the Joint Administrators to produce annual progress reports to creditors	• *These aspects of work have no* financial benefit to creditors, but are essential to the running of the liquidation			
Total fees incurred in the Period				**218 hrs**	**£62,346**	**£/hr 286**

Detailed SIP9 time cost analysis for the Period

Period from 11/09/2018 to 10/03/2019

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end			Fees estimate			Variance analysis		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr
Realisation of assets:									**20.85**	**6,883.25**	**330.13**	**91.15**	**30,370.75**	**333.20**	**232.00**	**74,230.00**	**320.00**	**140.85**	**43,859.25**	**(13.20)**
Property	-	-	-	-	-	-	-	-	-	-	-	**1.90**	**465.50**	**245.00**						
Insurance	-	-	-	-	-	-	-	-	-	-	-	**0.30**	**72.00**	**240.00**						
General	2.75	1,333.75	4.60	2,047.00	13.50	3,502.50	-	-	20.85	6,883.25	330.13	**88.95**	**29,833.25**	**335.39**						
Investigations:									**107.45**	**30,476.75**	**283.64**	**134.95**	**37,624.75**	**278.81**	**678.00**	**197,080.00**	**291.00**	**543.05**	**159,455.25**	**12.19**
General	0.75	363.75	31.00	10,737.50	43.10	10,956.50	32.60	8,419.00	107.45	30,476.75	283.64	**128.60**	**36,321.50**	**282.44**						
Debtor/director/senior employees	-	-	-	-	-	-	-	-	-	-	-	**6.35**	**1,303.25**	**205.24**						
Creditors:									**0.30**	**73.50**	**245.00**	**9.25**	**1,880.25**	**203.27**	**19.00**	**4,533.00**	**245.00**	**9.75**	**2,652.75**	**41.73**
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	**0.60**	**127.50**	**212.50**						
Unsecured	-	-	-	-	0.30	73.50	-	-	0.30	73.50	245.00	**8.65**	**1,752.75**	**202.63**						
Administration:									**89.30**	**24,912.50**	**278.98**	**371.60**	**107,944.00**	**290.56**	**403.00**	**127,743.00**	**317.00**	**31.50**	**19,799.00**	**26.44**
Treasury, billing & funding	-	-	-	-	10.80	2,455.25	1.30	224.00	12.10	2,679.25	221.43	**25.70**	**5,249.75**	**204.27**						
Tax	-	-	2.90	1,018.00	3.00	735.00	1.55	260.50	7.45	2,013.50	270.27	**42.40**	**11,044.25**	**260.48**						
Pensions	-	-	4.00	1,422.50	-	-	-	-	4.00	1,422.50	355.63	**6.75**	**2,091.75**	**309.89**						
General	7.00	3,395.00	8.20	3,086.50	45.55	11,393.25	5.00	922.50	65.75	18,797.25	285.89	**296.65**	**89,558.25**	**301.90**						
Total	**10.50**	**5,092.50**	**50.70**	**18,311.50**	**116.25**	**29,116.00**	**40.45**	**9,826.00**	**217.90**	**62,346.00**	**286.12**	**606.85**	**177,819.75**	**293.02**	**1,332.00**	**403,585.00**	**303.00**	**725.15**	**225,765.25**	**9.98**

Notes:
- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets
- Total time costs paid to date: £Nil

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows:

Grade	From 1 October 2017 to 30 September 2018		From 1 October 2018 to current	
	Insolvency £/hr	Pensions & Tax £/hr	Insolvency £/hr	Pensions & Tax £/hr
Partner	510 - 745	510 - 800	510 - 745	510 - 800
Director	485 - 595	485 - 725	485 - 595	485 - 725
Associate director	445 - 495	445 - 540	445 - 495	445 - 540
Manager	340 – 420	340 - 465	340 – 420	340 - 465
Assistant manager	300 - 350	300 - 340	300 - 350	300 - 340
Executive	245 - 325	260 - 315	245 - 325	260 - 315
Administrator	165 - 240	200 - 235	165 - 240	200 - 235
Treasury	180		180	
Support	150 - 155	165 - 170	150 - 155	165 - 170

The current charge out rates have applied since 1 October 2017. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Travel and subsistence	0	653	0
Joint Administrators' Bond	0	20	0
Land Registry	0	84	0
Office costs	21	21	0
Category 2 disbursements			
Mileage	0	40	0
Expenses			
Counsel fees	0	3,825	3,825
Legal fees	10,000	21,575	21,575
Legal disbursements	33	1,030	1,030
Total expenses and disbursements	**10,054**	**27,248**	**26,430**

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix A.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration. To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Mileage is charged at 45p a mile. VAT is added as appropriate.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	• Tax work/advice (narrative is included within the above narrative of work done) • Pensions work/advice (narrative is included within the above narrative of work done) • Digital Forensics Group (narrative is included within the above narrative of work done)	• Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

Information for creditors

Provided below is information to help creditors to understand their rights in insolvency and regarding officeholders' fees, and the roles and functions of committees.

R3 is the trade association for the UK's insolvency, restructuring, advisory and turnaround professionals. Amongst other things, R3 has made available written guidance for stakeholders affected by insolvency, in particular creditors, for some of which the web links are provided below.

Where web links are provided for the information, we will supply this information by post, free of charge on request.

'Office holder' means, for example, the appointed administrator(s), liquidator(s) or trustee(s) in bankruptcy.

R3 creditor guides

- Rights of creditors during an insolvency process guides: https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides
- Background information regarding the fees of officeholders: https://www.r3.org.uk/what-we-do/publications/professional/fees
- Liquidation/Creditors' committees and commissioners: https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf

Creditors' and members' rights to request information about remuneration or expenses under r18.9 of the Rules

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14:

(a) a secured creditor;

(b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);

(c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;

(d) any unsecured creditor with the permission of the court; or

(e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by:

(a) providing all of the information requested;

(b) providing some of the information requested; or

(c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if:

(a) the time or cost of preparation of the information would be excessive; or

(b) disclosure of the information would be prejudicial to the conduct of the proceedings;

(c) disclosure of the information might reasonably be expected to lead to violence against any person; or

(d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of:

(a) the office-holder giving reasons for not providing all of the information requested; or

(b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Creditors' and members' rights to challenge the office-holder's remuneration and expenses under r18.34 of the Rules

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:

(a) the remuneration charged by the office-holder is in all the circumstances excessive;

(b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or

(c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:

(a) a secured creditor,

(b) an unsecured creditor with either:

(i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or

(ii) the permission of the court, or

(c) in a members' voluntary winding up:

(i)members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

C Statutory information

Company Information	
Company name	Powa Technologies Group plc
Date of incorporation	5 February 2013
Company registration number	08389133
Former trading address	Heron Tower 35th Floor 110 Bishopsgate London EC2N 4AY
Former registered office	Heron Tower 35th Floor 110 Bishopsgate London EC2N 4AY
Present registered office	c/o Grant Thornton UK LLP 4 Hardman Square Manchester Spinningfields M3 3EB

Administration information	
Administration appointment	The administration appointment granted in the Manchester District Registry, 2457 of 2017
Appointor	Order of the court
Date of appointment	11 September 2017
Joint Administrators' names	Ian Richardson Nicholas S Wood
Joint Administrators' address(es)	No 1 Whitehall Riverside, Whitehall Road, Leeds, LS1 4BN 30 Finsbury Square, London, EC2P 2YU
Purpose of the administration	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up
Estimated values of the Net Property and Prescribed Part	The company's Net Property is uncertain at present. The Prescribed Part is capped at the statutory maximum of £600,000
Prescribed Part distribution	The joint administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply Therefore, the joint administrators intend to make a distribution to the unsecured creditors
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	11 June 2021

D Notice about this report

This report has been prepared by Ian Richardson, the joint administrator of Powa Technologies Group plc – in administration, solely to comply with the joint administrators' statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 do so at their own risk. To the fullest extent permitted by law, the joint administrators do not assume any liability in respect of this report to any such person.

Ian Richardson and Nicholas S Wood are authorised in the UK to act as Insolvency Practitioners by the Insolvency Practitioners Association.

The joint administrators are bound by the Insolvency Code of Ethics.

The joint administrators act as agents for the Company and contract without personal liability. The appointments of the joint administrators are personal to them and to the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the joint administrators' previous progress reports and proposals issued to the Company's creditors, which can be found on the Grant Thornton portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

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