

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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08/10/2021

#209

COMPANIES HOUSE

1 Company details

Company number 0 9 5 5 8 5 8 3

Company name in full Po-Zu Limited

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

2 Administrator's name

Full forename(s) Julie

Surname Palmer

3 Administrator's address

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

4 Administrator's name ①

Full forename(s) Andrew

Surname Hook

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

② Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

From date	^d 1	^d 9	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1
To date	^d 1	^d 8	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 3	^d 0	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1
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Presenter information

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

Contact name **Anne-Marie Harding**

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

Address **Units 1-3 Hilltop Business Park**

Devizes Road

Post town **Salisbury**

County/Region **Wiltshire**

Postcode **S P 3 4 U F**

Country

DX **salisbury@btguk.com**

Telephone **01722 435190**



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

Po-Zu Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 19/03/2021 To 18/09/2021 £	From 19/03/2021 To 18/09/2021 £
	SECURED ASSETS		
23,499.00	Goodwill	23,499.00	23,499.00
NIL	Investments	NIL	NIL
		<u>23,499.00</u>	<u>23,499.00</u>
	COSTS OF REALISATION		
	Legal Fees	5,703.09	5,703.09
	Legal Disbursements	336.15	336.15
	Agent's Fee	2,790.45	2,790.45
	Agent's Disbursements	240.10	240.10
	Bank Charges	17.62	17.62
		<u>(9,087.41)</u>	<u>(9,087.41)</u>
	SECURED CREDITORS		
(157,382.20)	Gema Sainz Valdderama	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
	Bank Interest - Gross	1.49	1.49
NIL	Book Debts	NIL	NIL
32.07	Cash at Bank - Euro Account	NIL	NIL
264.70	Cash at Bank - Paypal Account	NIL	NIL
NIL	Cash at Bank - Sterling Account	NIL	NIL
1.00	Company Records	1.00	1.00
1,500.00	Furniture & Equipment	1,500.00	1,500.00
NIL	Prepayments	NIL	NIL
NIL	Rent Deposit	NIL	NIL
15,000.00	Stock (Including Sample Stock)	15,000.00	15,000.00
		<u>16,502.49</u>	<u>16,502.49</u>
	COST OF REALISATIONS		
	Agent's Disbursements	168.60	168.60
	Agent's Fee	1,959.55	1,959.55
	Bank Charges	12.38	12.38
	Courier Fees	185.00	185.00
	Legal Disbursements	236.05	236.05
	Legal Fees	4,004.91	4,004.91
	Statutory Advertising	90.00	90.00
		<u>(6,656.49)</u>	<u>(6,656.49)</u>
	PREFERENTIAL CREDITORS		
(10,152.69)	Employees re Arrears/Hol Pay	NIL	NIL
(29,791.90)	HMRC	NIL	NIL
(713.34)	Pension Contributions	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(75,967.58)	Banks/Institutions	NIL	NIL
(8,604.84)	Consumer Creditors	NIL	NIL
(1,321.20)	Directors	NIL	NIL
(18,577.60)	Employees	NIL	NIL
(143,685.97)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,190.19)	Investment B Shares	NIL	NIL
(14,984.11)	Ordinary A Shareholders	NIL	NIL
(1,066,201.91)	Share Premium Account	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

(1,488,276.76)

REPRESENTED BY
Fixed Charge Bank
Fixed Charge VAT Receivable
Floating Charge Bank
Vat Receivable

24,257.59

24,257.59

12,612.63
1,799.85
8,526.18
1,318.93

24,257.59



Julie Anne Palmer and Andrew Hook were appointed joint administrators on 19 March 2021

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.

Po-Zu Limited (In Administration)

Progress report of the joint administrators

Period: 19 March 2021 to 18 September 2021

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Pre-administration costs
- ☐ Remuneration and expenses
- ☐ Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1. Account of receipts and payments
 - 2. Costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Po-Zu Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 19 March 2021
"the administrators" "we" "our" and "us"	Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF and Andrew Hook of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
"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:	Po-Zu Limited
Trading name:	Po-Zu
Date of Incorporation:	23 April 2015
Company registered number:	09558583
Company registered office:	Units 1 - 3, Hilltop Business Park, Salisbury, SP3 4UF

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF and Andrew Hook, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
Date of administrators' appointment:	19 March 2021
Date of administrators' resignation:	Andrew Hook replaced Marco Piacquadio as Joint Administrator of the Company on 01 April 2021

Court:	Business & Property Courts of England & Wales Insolvency
Court Case Number:	000235 of 2021
Person making appointment:	Steven Segal of Apartment 32, 1 Prince of Wales Road, London, NW5 3LW
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)
Extensions of the administration period	There have been no previous extensions to the administration period

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 March 2021 to 18 September 2021.

Receipts

The following has been realised during the period of this report:

• Goodwill:	£23,499.00
• Bank Interest:	£ 1.49
• Company Records:	£ 1.00
• Furniture and Equipment:	£ 1,500.00
• Stock:	£15,000.00

Payments

The following has been paid during the period of this report:

• Legal Fees:	£ 9,708.00
• Legal Disbursements:	£ 572.20
• Agent's Fee:	£ 4,750.00
• Agent's Disbursements:	£ 408.70
• Bank Charges:	£ 30.00
• Statutory Advertising:	£ 90.00
• Courier Fees:	£ 185.00

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 - www.begbies-traynordgroup.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.

General case administration and planning

Since our appointment we have prepared a case planning and strategy memorandum, carried out reviews of the case, dealt with routine correspondence and emails, maintained physical and electronic records, maintained the Administrators' bank account and filed relevant correspondence. We have also carried out regular reviews of the Administrators' insurance bond and of our ethics and anti-money laundering procedure.

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

We are required to ensure that the necessary notifications of our appointment as Joint Administrators are provided to the Company, the Company's creditors and various other stakeholders. Specifically, we have notified all relevant parties (in accordance with statute) of our appointment, which has included filing notice of our appointment with Companies House and advertising this in the London Gazette, assisting the Director with the preparation of the Company's Statement of Affairs and filing these with Companies House, preparing our Proposals, sending a Form VAT 769 to HMRC, issuing notices in respect of the Company's pension scheme and liaising with creditors in respect of our appointment.

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to ensure that the case is administered in accordance with statute and best practice guidelines.

Investigations

Following our appointment, we requested that creditors provide us with details of their claims against the Company and with any information that may assist us with our investigations into the Company's affairs and the conduct of the Director.

Furthermore, we have carried out investigations into various aspects of the Company's affairs including issuing questionnaires to the director, liaising with the director and creditors to gain a better understanding of the Company's affairs.

In addition, we have requested the Company's bank statements for the two-year period prior to our appointment so that transactions can be reviewed as part of our investigations into the Company's affairs and the conduct of its Director.

We have a statutory duty to carry out these investigations and to report to the Insolvency Service on the Director's conduct. Furthermore, this work may result in the identification of claims that may be brought against third parties for the benefit of creditors.

Realisation of assets

The following work has been carried out in respect of the Company's assets:

- **Sale of Business and Assets:** We sold the Company's business and assets (comprising goodwill, furniture and equipment, stock and company records) and received the sale proceeds of £40,000.00. Creditors should refer to our Proposals which have previously been circulated for further information.

We have also spent time liaising with the purchaser about various post completion matters such as customers paying money into the Company's PayPal account for orders completed by the purchaser.

- **Investments:** The Company was the sole shareholder of Po-Zu Online Limited ("PZO") and it held 9,000.00 shares with a nominal value of £1.00 per share. Further to our appointment we reviewed PZO's

accounts which indicated that it had not traded since 31 January 2018. The director confirmed that there were no funds remaining in PZO's bank account and that he had originally intended to voluntarily strike it off the Registrar. We therefore considered there to be no value in the shares and PZO has since been struck off.

- **Debtors:** The Company's management accounts as at 31 December 2020 indicated that it was owed £7,220.13 in respect of book debts. Further to our appointment we reviewed the ledger and discussed it with the Director who confirmed that the debts comprised amounts owed in respect of wholesalers.

As such, we considered that these debts were no longer collectable as a result of their age and no further action has been taken in this regard.

- **Euro Account:** The Company's accounts indicated that there were funds in its euro account of €32.07. We wrote to the Company's bank further to our appointment and they have since confirmed that the account was overdrawn on the date of our appointment. As such, there will be no realisations in this regard.
- **Cash at Bank:** We have written to the Company's banks and notified them of our appointment. We have requested that any credit balance held be transferred to the Administration bank account. We have received confirmation that the bank account was overdrawn on the date of our appointment and that, as such, there are no funds to remit.

However, we have since been made aware of funds totalling £3,387.64 that have been paid into the Company's bank account after the commencement of the Administration. It is anticipated that these funds may relate to orders processed by the purchaser of the business and assets, Positive Change People Limited ("PCP"), and we have queried the matter with them.

In the event that these funds do relate to orders completed by PCP these funds will be released to them.

- **PayPal:** It is noted that the purchaser, PCP did not set up a separate Paypal account and that sale proceeds for post-appointment sales have been paid into the Company's Paypal account.

Further to our appointment, we asked the Company's Director to transfer the balance held in the Paypal account to our Client Clearing Account. Funds totalling £4,179.82 have been received and released to the purchaser.

- **Prepayments:** The Company's management accounts as at 31 December 2020 indicated that there were prepayments in respect of unfulfilled customer orders totalling £20,425.32.

Further to our appointment, the Company's order book was reviewed, and this had reduced to £8,604.84 as a result of a number of the fulfilment of orders or chargeback claims received. PCP has since completed any outstanding orders at cost. As such, there will be no realisations in this regard.

- **Rent Deposit:** The Company's landlord held a rent deposit of £3,950.00 in respect of the trading premises. Further to our appointment we contacted the landlord who confirmed the amount outstanding in respect of rent totalled £8,022.62 and that the rent deposit held would be used to offset the rent arrears. As such, there will be no realisations in this regard.

We have a duty to realise the Company's assets. It is also anticipated that this work will result in a payment being made to the Company's secured creditor.

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

Since our appointment we have dealt with creditor correspondence, emails and telephone conversations, maintained up to date creditor records and amended claims received, discussing the progress of the Administration with creditors and liaised with enforcement creditors.

Best practice means that we should respond to creditors in a timely manner.

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

We have undertaken relevant searches to establish the presence of an occupational pension scheme and filed the necessary notices with the Pensions Regulator, The Pension Protection Fund and the pension scheme's Trustees.

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that the relevant notifications are provided in respect of pension schemes and to ensure that all post-appointment tax returns are submitted.

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

Secured creditor

It is anticipated that a payment of approximately £500.00 will be available to the Company's secured creditor under their fixed charge.

Preferential creditors

There will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

Secondary preferential creditors

There will be insufficient funds available to enable a dividend to be paid to HMRC as secondary preferential creditor.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have not made a distribution of the prescribed part as the estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we consider, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Unsecured creditors

There will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

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 26 April 2021 the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor:

Description	Name of Recipient	Net Amount £	VAT £	Gross Amount £
Our fees in relation to the Work	Begbies Traynor	20,000.00	4,000.00	24,000.00
Legal fees incurred in preparing the relevant appointment documentation, filing the relevant notices of intention to appoint on various parties, preparing the sale and purchase agreement, liaising with the purchasers' solicitors with regards to proposed changes to the sale agreements and preparing the relevant deed of release in respect of GSV's charges.	Howes Percival	9,572.00	1,914.00	11,486.00
Legal disbursements in relation to the preparation of the Notice of Intention to Appoint Administrators, the Notice of Appointment and the Sale and Purchase Agreement, to include: <ul style="list-style-type: none"> £172.20: Court fee and Searches; and £400.00: Swear Fees. 	Howes Percival	572.20	114.44	686.64
Agent's fee in respect of reviewing the Company's assets at the trading premises, providing a valuation of the assets, liaising with the Company's Director to prepare a Sales Pack for distribution to interested parties, marketing the assets on the open market, liaising and negotiating with interested parties and liaising with finance providers. <ul style="list-style-type: none"> £750.00: Valuation £4,000.00: 10% Sales Commission 	Eddisons	4,750.00	950.00	5,700.00
Agent's disbursements incurred in travelling to the trading premises and marketing the business and assets for sale: <ul style="list-style-type: none"> Mileage / Travel: £200.00 (Estimated) IP Bid £245.00 	Eddisons	445.00	89.00	534.00
TOTAL		35,339.20	7,067.44	42,406.64

These costs, with the exception of our pre-appointment fee which will be discharged shortly, have been paid in full.

7. REMUNERATION & EXPENSES

Our remuneration has been fixed as a set amount in the sum of £20,000.00 plus VAT.

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

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

- ☐ Begbies Traynor (Central) LLP's charging policy

To 18 September 2021, we have not drawn any remuneration in this regard.

Category 1 Expenses

To 18 September 2021, we have incurred category 1 expenses totalling £578.13 but discharged expenses totalling £136.00

Category 2 Expenses

No category 2 expenses, or expenses that should be treated as category 2 expenses, have been incurred during the period of this report.

However, we have discharged category 2 expenses incurred prior to our appointment, during the period of this report. Full details of these expenses were disclosed in our proposals.

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.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £1,687.50 plus VAT. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

No assets remain to be realised. We will remain in office to satisfy our statutory duties in relation to the Company's pension scheme.

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

Work as outlined above will continue to be maintained as well as undertaking regular case and compliance reviews.

The majority of the above work derived no financial benefit to creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

Work as outlined above will continue to be maintained as well as undertaking regular case and compliance reviews.

- Circulation of Progress Reports to creditors and stakeholders.
- Monitoring of statutory bond level.
- Preparation and circulation of a Final Report to creditors and stakeholders.

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to ensure that the case is administered in line with statute and best practice guidelines.

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

We will continue to liaise with the Company's pension scheme provider and the Redundancy Payments Service in relation to unpaid contributions. We will continue to liaise with all other creditors regarding any queries that they may have.

Best practice means that we should respond to creditors in a timely manner.

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

Final returns in respect of VAT and Corporation Tax will be prepared and filed with HMRC.

We will also ensure that the necessary forms required for arrears due in respect of the pension scheme to be paid by the Redundancy Payments Service.

This work will ensure that pension arrears are paid by the Redundancy Payments Service. It is also required to conclude the administration.

How much will this further work cost?

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. The cost of completing this work will not exceed any amounts approved by creditors previously.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 23 April 2021 which included all of the expenses that we anticipate that we will incur throughout the administration.

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 £20,000.00 plus VAT, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, I can estimate that

total remuneration drawn will be in the region of £3,500.00 plus VAT. Costs incurred over and above our approval will be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

10. OTHER RELEVANT INFORMATION

Connected party transactions

Please see our previous report for details of any connected party transactions.

Proposed exit route from administration

It is currently anticipated that the Company will exit administration by way of dissolution.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

12. CONCLUSION

The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months.

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



Julie Palmer - Joint Administrator
Dated: 01 October 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 March 2021 to 18 September 2021

Statement of Affairs £		From 19/03/2021 To 18/09/2021 £	From 19/03/2021 To 18/09/2021 £
	SECURED ASSETS		
23,499.00	Goodwill	23,499.00	23,499.00
NIL	Investments	NIL	NIL
		<u>23,499.00</u>	<u>23,499.00</u>
	COSTS OF REALISATION		
	Legal Fees	5,703.09	5,703.09
	Legal Disbursements	336.15	336.15
	Agent's Fee	2,790.45	2,790.45
	Agent's Disbursements	240.10	240.10
	Bank Charges	17.62	17.62
		<u>(9,087.41)</u>	<u>(9,087.41)</u>
	SECURED CREDITORS		
(157,382.20)	Gema Sainz Valderama	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
	Bank Interest - Gross	1.49	1.49
NIL	Book Debts	NIL	NIL
32.07	Cash at Bank - Euro Account	NIL	NIL
264.70	Cash at Bank - Paypal Account	NIL	NIL
NIL	Cash at Bank - Sterling Account	NIL	NIL
1.00	Company Records	1.00	1.00
1,500.00	Furniture & Equipment	1,500.00	1,500.00
NIL	Prepayments	NIL	NIL
NIL	Rent Deposit	NIL	NIL
15,000.00	Stock (Including Sample Stock)	15,000.00	15,000.00
		<u>16,502.49</u>	<u>16,502.49</u>
	COST OF REALISATIONS		
	Agent's Disbursements	168.60	168.60
	Agent's Fee	1,959.55	1,959.55
	Bank Charges	12.38	12.38
	Courier Fees	185.00	185.00
	Legal Disbursements	236.05	236.05
	Legal Fees	4,004.91	4,004.91
	Statutory Advertising	90.00	90.00
		<u>(6,656.49)</u>	<u>(6,656.49)</u>
	PREFERENTIAL CREDITORS		
(10,152.69)	Employees re Arrears/Hol Pay	NIL	NIL
(29,791.90)	HMRC	NIL	NIL
(713.34)	Pension Contributions	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(75,967.58)	Banks/Institutions	NIL	NIL
(8,604.84)	Consumer Creditors	NIL	NIL
(1,321.20)	Directors	NIL	NIL
(18,577.60)	Employees	NIL	NIL
(143,685.97)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,190.19)	Investment B Shares	NIL	NIL
(14,984.11)	Ordinary A Shareholders	NIL	NIL
(1,066,201.91)	Share Premium Account	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

<u>(1,488,276.76)</u>		<u>24,257.59</u>	<u>24,257.59</u>
	REPRESENTED BY		
	Fixed Charge Bank		12,612.63
	Fixed Charge VAT Receivable		1,799.85
	Floating Charge Bank		8,526.18
	Vat Receivable		1,318.93
			<u>24,257.59</u>

COSTS AND EXPENSES

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

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

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Eddisons Commercial Ltd may be instructed to provide valuation services and to dispose of the Company's assets. They charge £750.00 plus disbursements plus VAT for completing the valuation report. They also charge 10% of realisations plus disbursements plus VAT for disposing of the Company's assets.

In addition, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium payable after deducting any commission payable by the insurer.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Milton Keynes office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee	110
Administrator	
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. Time is recorded in 6 minute units.

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				
Legal Fees	Howes Percival LLP	136.00	136.00	0.00
Bank Charges	Various	30.00	30.00	0.00
Courier Fees	Restore	185.00	185.00	0.00
Statutory Advertising	Courts Advertising	90.00	90.00	0.00
Statutory Bonding	Marsh	40.00	0.00	40.00
Storage Costs	Restore	5.88	0.00	5.88
Pensions Agent	Evolve	350.00	0.00	350.00
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
None				