

AM03

Notice of administrator's proposals



Companies House



MONDAY



A13
27/04/2020
COMPANIES HOUSE

1	Company details	
Company number	1 0 4 5 5 1 3 6	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	PSL Housing Limited	
2	Administrator's name	
Full forename(s)	Kris Anthony	
Surname	Wigfield	
3	Administrator's address	
Building name/number	3rd Floor, Westfield House	
Street	60 Charter Row	
Post town	Sheffield	
County/Region		
Postcode	S 1 3 F Z	
Country		
4	Administrator's name ①	
Full forename(s)	Gareth	① Other administrator Use this section to tell us about another administrator.
Surname	Prince	
5	Administrator's address ②	
Building name/number	8th Floor	② Other administrator Use this section to tell us about another administrator.
Street	Temple Point	
Post town	1 Temple Row	
County/Region	Birmingham	
Postcode	B 2 5 L G	
Country		

AM03
Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	Signature 		
Signature date	<div><div>d</div>2<div>d</div>4</div> <div><div>m</div>0<div>m</div>4</div> <div><div>y</div>2<div>y</div>0<div>y</div>2<div>y</div>0</div>		

AM03 Notice of Administrator's Proposals



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	Oliver Adams
Company name	Begbies Traynor (SY) LLP
Address	3rd Floor, Westfield House 60 Charter Row
Post town	Sheffield
County/Region	
Postcode	S 1 3 F Z
Country	
DX	
Telephone	0114 2755033



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

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



Where to send

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

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



Further information

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

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.

PSL Housing Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. 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. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

This report has been produced during the Covid-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently, this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in our next progress report.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	PSL Housing Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 13 March 2020
"the administrators", "we", "our", "us"	Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ and Gareth Prince of Begbies Traynor (Central) LLP, 8th Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"the Act"	<i>The Insolvency Act 1986 (as amended)</i>
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	PSL Housing Limited	
Trading name(s):	PSL Housing, Pedley Scaffolding	
Date of Incorporation:	1 November 2016	
Company registered number:	10455136	
Company registered office: Former registered office:	3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ 89 Spring Road Ettingshall, Wolverhampton, West Midlands, United Kingdom, WV4 6JT	
Trading address(es): (or attach a separate sheet if more than one)	89 Spring Road, Ettingshall, Wolverhampton, WV4 6JT	
Principal business activities:	Scaffolding	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Carl Warrilow	
	Robert Humphries (resigned: 2 August 2018)	50 Ordinary £1 shares
	Stuart Andrew Pedley (resigned 1 September 2017)	50 Ordinary £1 shares
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	N/A	N/A
Accountants:	Howards accountants, Newport House, Newport Road, Stafford, ST16 1DA	
Share capital:	100 Ordinary shares	
Shareholders:	Robert Humphries Stuart Andrew Pedley	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	13 March 2020
Date of resignation:	N/A
Court:	High Court of Justice, Birmingham District Registry
Court Case Number:	192 of 2020

Person(s) making appointment / application:	Easy Invoice Finance Limited, 4 Regency Chambers, Junilee Way, Bury, Lancashire, BL9 0JW
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 <i>under any enactment to be done by an administrator may be done</i> by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated in 2016 and traded as a Scaffolding Company based in Wolverhampton, providing the supply, erection, hire and dismantling of scaffolding on residential and commercial housing developments. The Company traded from leased premises at 89 Spring Road, Ettingshall, Wolverhampton, WV4 6JT and Stuart Pedley ('SP') and Robert Humphries ('RH') were the directors and equal shareholders upon incorporation. On 1 September 2017 SP resigned as a director leaving RH as the sole director.

On 5 July 2018 the Company acquired the business and assets of Pedley Scaffolding Limited (In Administration) (Company number 03998159) ('Pedley Scaffolding'), via a pre-packaged administration sale. Pedley Scaffolding was an associated Company by way of common directors with SP and RH both holding directorships in Pedley Scaffolding at the date of completion.

On 2 August 2018 RH resigned as a director of the Company and Carl Warrilow ('CW') was appointed as the sole director on the same date. SP and RH both continued to be involved with the Company and each continued to be 50% shareholders.

The Company was financed through a number of business loans, a factoring agreement with Easy Invoice Finance Limited, which is company owned by Regency Factors PLC, ('EIF') and via a purchase finance agreement and a stock finance facility provided by Cavendish Investments (Manchester) Limited ('Cavendish').

On 4 August 2018, a bankruptcy petition was filed against SP by Kingsway Asset Finance Limited. On 3 January 2019, SP was made bankrupt at which point his beneficial interest in the shares vested in his trustee in bankruptcy. The Company began to experience cash flow difficulties in mid-2019, with a County Court Judgement being issued for the sum of £32,431.00 in August 2019. The cash flow problems continued with further CCJ's being issued in January 2020 and March 2020.

In January 2020, EIF expressed concerns to the Company regarding an invoice which had been raised for payment under their factoring agreement with the Company. EIF completed their mandatory new customer due diligence checks and took steps to verify the invoice in terms of works done and value charged. An email was sent to the contractor who made it very clear that work on the project, that the Company was attempting to raise finance against, had not started.

EIF relayed this information back to the Company and despite numerous follow up calls and emails, the Company was unable to provide any evidence that work had been completed in relation to the invoice. This resulted in EIF having significant concerns that the back-up information that had been submitted (handover certificates) were not authorised by the customer or indeed authentic. EIF became concerned that the Company had attempted to obtain funding through invoices for work which had not been completed, which EIF would classify as "fresh air" invoices and constituted a material breach of the factoring agreement.

EIF attempted to contact the counter-signatory on the handover certificates and requested a contact number so they could verify that the work had been done at the time of signing the handover certificates, however nothing was forthcoming.

EIF became aware that CW had filed a notice of intention to appoint administrators and on 11 March 2020 EIF wrote to the Company confirming that they believed that there had been a material adverse change to the business which constituted a termination event under the terms of their factoring agreement with the Company. The letter demanded immediate repayment of the outstanding liability due under the factoring agreement.

With the Company unable to settle the demand for repayment and given the abovementioned uncertainty with regards to the invoicing, in order to ensure that the affairs of the Company were thoroughly investigated and realisations were maximised for the benefit of all creditors, EIF appointed Kris Wigfield of Begbies Traynor (SY) LLP and Gareth Prince of Begbies Traynor (Central) LLP as joint administrators of the Company on 13 March 2020.

5. STATEMENT OF AFFAIRS

The director has not prepared a statement of affairs of the Company as at 13 March 2020 but has provided us with a creditors list. We are unable to confirm the accuracy of the creditors list and will make our own enquiries.

Despite repeated requests the director has failed to provide any information regarding the Company's assets and details of the Company's employees. If he continues to fail to comply with our requests we will make an application to court under sections 234 and 235 of the Act seeking an order that he provides us with the

requested information and compelling him to deliver up any company property in his possession including but not limited to the books and records of the Company.

Easy Invoice Finance Limited have provided us further information, which in conjunction with the creditors list has been used to prepare the estimated statement of affairs which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement. Our comments on the statement of affairs are detailed at Appendix 2.

Upon receipt, the director's statement of affairs will be filed at Companies House and available for creditors to review.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 13/03/2020 to 24 April 2020.

There have been no receipts or payments made during the administration to date.

Work undertaken by the Administrators and their staff

Following appointment, we have dealt with all statutory duties by way of notifying all members and creditors of the Company of our appointment by the completion of these proposals. In addition, we have arranged for our appointment to be advertised in the London Gazette with the relevant notification also being sent to the Registrar of Companies for filing purposes. Such notification also includes the change of the Company's registered office to that of the joint administrators.

We have attempted to make contact with CW and RH to obtain initial information regarding the assets and liabilities of the Company. Despite numerous attempts to contact them the information was not forthcoming, accordingly Freeths LLP ('Freeths') were instructed to write to CW and remind him of his duty to comply with our request.

CW, eventually responded to Freeths providing a creditors list and confirmed that he is in the process of collating the remaining information, however despite the effluxion of time given to respond, a substantive response has not been forthcoming. Consequently, Freeths wrote to the director again on 17 April 2020 to confirm that should he continue to fail to co-operate, the administrators will take steps which they deem necessary to obtain the outstanding information on the basis that he has failed to comply with his statutory duty. This may include an application to Court under sections 234 and 235 of the Act seeking an order that the director provides us with the requested information and compelling him to deliver up any company including but not limited to the books and records of the Company.

EIF had been provided with a stock count dated 4 December 2019, which recorded scaffolding stock with a value of £558,198.28. In view of CW and RH's continued failure to respond to our request to provide information regarding the Company's assets, we wrote to the contractors which the Company had been working with to confirm which sites the Company worked on, whether there is any remaining scaffolding and/or other assets at the sites and whether this is still required or needs to be collected. We are continuing correspond with the contractors regarding the same.

We have also established contact with the Company's landlord to ensure that sufficient security is in place at the Company premises and to arrange access to enable Eddisons Commercial Limited ('Eddisons'), part of the Begbies Traynor group, to provide a valuation of the assets on site. Obtaining access to the premises has so far been restricted due to a combination of the landlord being out of the country and the Covid-19 HM

Government restrictions, however arrangements have now been made for Eddisons to gain access to the premises.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the statement of affairs) are as follows:

Secured creditors

Easy Invoice Finance Limited ('EIF')

EIF hold a fixed and floating charge dated 11 July 2018 and registered at Companies House on 12 July 2018, against the Company. This was to secure the lending made to the Company in respect of the factoring agreement entered into, in respect of its book debts.

Upon our appointment, EIF were owed the sum of £518,786.67 under the terms of the factoring agreement.

Specialist debt recovery experts at BTG Advisory a division within the Begbies Traynor Group, may be instructed to assist with the collection of the book debt ledger.

Cavendish Investments (Manchester) Limited ('Cavendish')

Cavendish hold a fixed and floating charge dated 11 July 2018 and registered at Companies House on 11 July 2018, against the Company. This was to secure the lending made to the Company in respect of a purchase finance agreement and a stock finance facility.

Upon the joint administrators' appointment, Cavendish were owed the sum of £206,960 under the terms of the agreements.

The joint administrators have been provided with a copy of a stock count dated 4 December 2019, which recorded stock with a value of £558,198.28, comprising of scaffolding equipment. The whereabouts of the stock is not currently known as the director has not co-operated with the joint administrators.

Preferential creditors

Despite repeated request the director has not provided us any employee details. We are therefore unable to confirm whether there are any Preferential claims for employees' for arrears of wages, salary and holiday pay at this stage.

Unsecured creditors

Claims of unsecured creditors were estimated at £361,748.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditors

Easy Invoice Finance Limited ('EIF')

Based on current information we anticipate that EIF will receive partial repayment under the terms of their fixed charge security, through the collection of the Company's outstanding book debt ledger.

The level of recoveries in respect of the book debts is uncertain due to the continued non co-operation of the director with the collection process. EIF have confirmed that prior to appointment the collections were

completed by the directors with EIF having very little input to the collection process. It is also apparent that a number of the debtors are disputed.

Cavendish Investments (Manchester) Limited ('Cavendish')

Based on current information it is uncertain whether Cavendish will be repaid under the terms of their fixed and floating charge security, any payment will be dependent upon the recovery of book debts and the level of realisations from the stock and other assets.

Preferential creditors

We are not aware of any preferential creditors at this stage.

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 distribution 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 £600,000

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)).

EIF and Cavendish have unsatisfied floating charges created and registered on after 15 September 2003. However, given that the realisations in respect of the book debts and other assets are currently uncertain, we are unable to calculate the Company's net property and the prescribed part of net property that is likely to be available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is considered highly unlikely that there will be sufficient 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 explained in our initial correspondence confirming our appointment as administrators, 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.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

Notwithstanding the above, it is not reasonably practicable to achieve either objective 3(1)(a) or 3(1)(b) as the Company was unable to be rescued as a going concern due to the extent of its insolvent status and, the business and assets of the Company. In addition, it is anticipated there will be insufficient realisations to enable a distribution to be made to the Company's unsecured creditors, and on this basis, achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) cannot be achieved.

We believe that pursuing the objective as specified in sub-paragraph 3(1)(c) will be achieved during the course of the administration as we believe that EIF will receive payment through the collection of the Company's outstanding book debts, under the provisions of their fixed charge security. We believe that as a result of the joint administrators carrying out an orderly wind-down of the Company's business following their appointment, that this has safeguarded debtor collections (to the maximum extent possible without the co-operation of the director) and increased the prospects of EIF being repaid in full, and potentially the preferential creditors receiving a distribution. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's book debts and chattel assets. The principal matters to deal with in this respect are:

- Preparing statutory documents in line with the Act and the Rules;
- Continue to chase CW to provide the requested information, this may include an application to court under sections 234 and 235 of the Act seeking an order that he provides us with the requested information and compelling him to deliver up any company property in his possession including but not limited to the books and records of the Company;
- In conjunction with Freeths we will review whether it is also appropriate to seek further information from RH and SP on the basis that it appears that they may have been shadow directors of the Company after their resignation. This may include an application to court under sections 234 and 235 of the Act seeking an order that they provide us with the requested information and compelling them to deliver up any company property in their possession including but not limited to the books and records of the Company;
- In conjunction with Eddisons ensuring that the scaffolding stock is identified, collected and the appropriate steps taken to dispose of the same;
- Arrange for a valuation of assets remaining at the Company's premises and decide upon a disposal strategy in conjunction with Eddisons;

- Corresponding with the Company's creditors by way of written and verbal communications regarding queries, claims and concerns that may arise during the course of the administration;
- Ensure that a detailed inventory of the Company's physical records is compiled;
- Continue with book debt collections in conjunction with EIF;
- The joint administrators will instruct and liaise with debt recovery experts at BTG Advisory a division within the Begbies Traynor Group, with regard to the collection of the book debt ledger;
- Carry out a review of the records and any concerns received in readiness for the completion of the report on the directors' conduct to be submitted to the Insolvency Service;

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the collection of the Company's book debts. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. *It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.*

The director of the Company has failed to co-operate with us and therefore the proposals have been issued based on the information we have been able to gather to date. In the event that additional company assets can be traced and we are able to achieve sufficient realisations to facilitate a distribution to unsecured creditors we will issue revised proposals for creditors to consider and approve.

If (whether or not an extension to the period of administration actually becomes necessary) it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on our application, we will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of a discussion with EIF and their solicitors regarding appointment and optimum administration strategy ("the Work"). The Work was carried out pursuant to an agreement made between us and EIF entered into on 11 March 2020 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because it was required to facilitate our appointment, we consider that the Work has furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to the secured creditor. The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	1,850.00	370.00	2,220.00
Legal fees	Freeths Solicitors LLP ('Freeths')	3,505.90	701.18	4,207.08
Legal disbursements	Freeths	50.00	N/A	50.00
TOTAL PRE-ADMINISTRATION COSTS		5,405.90	1,071.18	6,477.08

The pre-administration costs are unpaid and we are seeking that our fees be paid as an expense of the administration,

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP for attending to matters as set out in the fees as detailed in Appendix 3.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part fund of any net floating charge property). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for the secured creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. Our firm is not connected to the secured creditors however they are known to the Begbies Traynor Group in a professional capacity. The approval of our remuneration will not give rise to a conflict of interest in this case.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 13 March 2020.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

Full details of the transactions which have occurred to date are detailed in Section 6 of the proposals.

In accordance with SIP 7 we are obliged to report to creditors where expenditure has been incurred that is significant in the context of the case and explain why the expenditure was incurred. As creditors will note,

significant expenditure has been incurred which is detailed in section 6 above, for the reasons which have been set out in section 8 above.

The joint administrators have instructed various third parties to assist them in this matter, with the key parties work to date being summarised below.

Freeths LLP (Freeths)

Freeths Solicitors have been instructed to provide legal advice on all aspects of the administration. Their fees have been agreed on the basis of their standard hourly charge out rates plus disbursements and VAT. The fees incurred to date are £3,505.90 plus VAT pre appointment and £2,167.40 plus VAT post appointment. The work completed by Freeths comprises:

Notice of Intention to Appoint Administrators

- Reviewing company information in relation to the proposed appointment;
- Liaising with Court in respect of a previous notice of intention to appoint administrators by the Company's director and notice of appointment of administrators by the Company's director;
- Discussions via e-mail and telephone conversations ahead of the appointment and what steps will have to be taken;
- Advising us in respect of preparing a notice of intention to appoint administrators by a qualifying floating charge holder, EIF, (the 'QFCH's NOI') and seeking consent from other two qualifying floating charge holders, Cavendish Investments (Manchester) Limited ('Cavendish') and Padley Scaffolding Limited (in administration) ('Padley');
- Preparing the QFCH's NOI;
- Liaising with the administrators and providing instructions in respect of signing the QFCH's NOI;
- Dealing and ensuring that Cavendish and Padley have consented and have signed the QFCH's NOI;
- Informing the director of the Company in respect of the QFCH's NOI.

Notice of Appointment of Administrators Work

- Preparing a notice of appointment by a qualifying floating charge holder (the 'QFCH's NOA') and the necessary ancillary documents required to appoint the Administrators as the joint administrators of the Company;
- Liaising with EIF and us in respect of the signing of the QFCH's NOA and the necessary ancillary documents; and
- Arranging for filing of the NOA and ancillary documentation at Court on 13 March 2020 appointing the Administrators as the joint administrators of the Company.

As at the Appointment Freeths have incurred disbursements in this matter in the sum of £50 (being the QFCH's NOA Court fee (no VAT applicable)).

Post-Appointment Fees

- Dealing with the post appointment filing formalities;
- Arranging for service of the QFCH's NOA on the Company;
- Liaising with us in respect of the Company's landlord position and advising you of the same;
- Reviewing correspondence sent by you to a former director and resigned director of the Company;
- Liaising with us in respect of chasing the directors;
- Drafting and issuing an urgent letter and subsequent letter to the former Company's director, CW;
- Reviewing the information and documentation provided by CW and advising us of the same;
- Issuing further letters to former and resigned directors of the Company; and
- Liaising with us in respect of the asset position and discussing further potential steps in this matter.

Eddisons Commercial Limited ('Eddisons')

Eddisons have been instructed to act as agents to realise the Company's assets and their fees have been agreed on their standard hourly rates for portage and 10% commission on the asset sale proceeds. They have not incurred any fees to date.

Eddisons Insurance Services Limited

Eddisons insurance services Limited were engaged to provide cover for the assets on an open cover basis.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing by email to oliver.adams@btguk.com. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. Enquiries have been made with the director and contractors to try and ascertain the location of the Company's scaffolding stock and other assets.

As part of our investigations we will carry out a thorough review of the Company's books and records together with a review of the Company's bank statements to identify any unusual payments that may have occurred during the period prior to the joint administrators' appointment. In addition, the joint administrators will review any concerns received from creditors with regard to the directors' conduct.

Deemed delivery

These proposals will be deemed to have been delivered on 28 April 2020.

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.

12. CONCLUSION

As explained in Section 7 above, neither of the objectives specified in paragraph 3(1)(a) and (b) of Schedule B1 to the Act can be achieved.

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 28 April 2020. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Kris Anthony Wigfield
Joint Administrator

Date: 24 April 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

13 March 2020 to 24 April 2020

PSL Housing Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 24/04/2020

S of A £		£	£
	SECURED ASSETS		
Uncertain	Book Debts	NIL	NIL
	SECURED CREDITORS		
(518,786.67)	Easy Invoice Finance Limited	NIL	
(206,960.00)	Cavendish Investments (Manchester)	NIL	NIL
	ASSET REALISATIONS		
Uncertain	Stock	NIL	NIL
	UNSECURED CREDITORS		
(206,477.79)	Trade Creditors (Count = 30)	NIL	
(154,870.00)	Banks/Institutions (Count=4)	NIL	
(400.00)	HMRC (Corporation Tax)	NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
(1,087,594.46)			NIL
	REPRESENTED BY		NIL

Insolvency Act 1986

PSL Housing Limited

Estimated Statement Of Affairs as at 13 March 2020

	Book Value £	Estimated to Realise £	£
ASSETS			
Book Debts	649,596.60	Uncertain	
Easy Invoice Finance Limited		(518,786.67)	
Deficiency c/d		(518,786.67)	
 Cavendish Investments (Manchester) Ltd		(206,960.00)	
Deficiency c/d		(206,960.00)	
 Stock	558,198.28		Uncertain NIL
 LIABILITIES			
PREFERENTIAL CREDITORS:-			
			NIL
			NIL
 DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
Deficiency b/d			725,746.67 (725,746.67)
 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			(725,746.67)
 Estimated prescribed part of net property where applicable (to carry forward)			NIL (725,746.67)
 DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			(725,746.67)
 Estimated prescribed part of net property where applicable (brought down)			NIL (725,746.67)
 Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors (Count = 30)		206,477.79	
Banks/Institutions (Count=4)		154,870.00	
HMRC (Corporation Tax)		400.00	
			361,747.79
 Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(1,087,494.46) (1,087,494.46)
 Issued and called up capital Ordinary Shareholders		100.00	
			100.00
TOTAL SURPLUS/(DEFICIENCY)			(1,087,594.46)

Begbies Traynor (SY) LLP
PSL Housing Limited
B - Company Creditors

Key	Name	Address	£
CA00	Arkle Finance	52-60 Sanders Rd, Finedon Road Industrial Estate, Wellingborough, NN8 4BX	29,500.00
CA01	Armada	Armada Asset Finance, Armada House, Odhams Wharf, Topsham, Devon, EX3 0PB	4,266.00
CB00	Bibby Leasing	7 Airport West, Lancaster Way, Warren House Lane, Yeadon, Leeds, LS19 7SA	2,000.00
CB01	British Gas	PO Box 227, ROTHERHAM, S98 1PD	325.42
CB02	Blackbeard	1000 Lakeside North Harbour, Ground Floor, Building, Portsmouth, PO6 3EZ	210.00
CC00	Conister Bank	Clarendon House, Victoria Street, Douglas, IM1 2LN	45,370.00
CC01	Credit Asset Management	20 St Dunstons Hill, Billingsgate, London, EC3R 8HL	1,048.00
CC02	Cavendish Investments (Manchester) Limited	Regency Chambers, Jubilee Way, Bury, BL9 0JW	206,960.00
CD00	Davidson Fork Lifts	Ablow Street, Wolverhampton, WV2 4ER	7,466.00
CF00	First Business	Bellamy House, 2 Winton Road, Petersfield, Hampshire, GU32 3HA	21,000.00
CH00	Howards Accountants	Newport House, Newport Road, Stafford, ST16 1DA	3,000.00
CI00	Initial Fire	23 Calibre Industrial Park, Laches Close, Four Ashes, Wolverhampton, WV10 7DZ	132.00
CJ00	Japa International Ltd	3 Boldmere Road, Sutton Coldfield, Birmingham, B73 5UY	302.40
CK00	Kingsley Asset Finance	Kings Lane, Whittle-le-Woods, Chorley, PR6 7LX	4,508.00
CL00	HMRC (Corporation Tax)	c/o LCS, Town Centre House, Merion Centre, Leeds, LS2 8LY	400.00
CM00	MFJ Clark	Mansun, 32a Showell Lane, Penn, Wolverhampton, WV4 4TT	5,000.00
CM01	Maquire Corporate & Asset Finance	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD	32,000.00
CM02	MFG Solicitors LLP	Adam House, Birmingham Road, Kidderminster, DY10 2SH	2,015.60
CN00	Nelson	Greenside, 12 Bleinhein Place, Edinburgh, EH7 5JH	30,844.00
CN01	Northgate	Yarm Road Business Park, 23 Allington Way, Darlington, DL1 4QB	10,000.00
CN02	NEST Pensions	Peterborough Business Park, Nene Hall, Lynch Wood, Peterborough PE2 6FY	2,600.00
CO00	Optima	Hepworth House, Claypit Lane, Leeds, LS2 8AE	8,800.00
CO01	One Connectivity	Unit A6, Maple Road, Castle Donnington, Derby, DE74 2UT	1,731.07
CP00	Panic Keys	51 Rooker Avenue, Wolverhampton, WV2 2DT	420.00
CQ00	Quantum	Reading International Business Park, Basingstoke Road, Reading, RG2 6AA	4,142.00
CR00	Regency	Regency Chambers, Jubilee Way, Bury, BL9 0JW	518,786.67
CR01	RPG	The Copper Room, Deva Centre, Trinity Way, Manchester	38,000.00
CS00	Shire Leasing	c/o Baker Tilly Creditor Services LLP, 6th Floor Salisbury House, 31 Finsbury House, London, EC2M 5SQ	24,300.35
CS01	Spotcap UK	Regal House, 14 James Street, Covent Garden, London, WC2E8BU	50,000.00

Signature

Begbies Traynor (SY) LLP
PSL Housing Limited
B - Company Creditors

Key	Name	Address	£
CS02	Safewise	Hilton Hall, Hilton Lane, Essington, Wolverhampton, WV11 2BQ	456.00
CS03	Silverback Law	8 Regents Court, Far Moor Lane, Redditch, B98 0SD	3,047.45
CT01	TCH	5 Penn Road, Wolverhampton, WV2 4ET	13,000.00
CT02	Towergate Insurance	West Court, Campbell Road, Stoke-on-Trent, ST4 4FB	15,000.00
CW00	Waterlogic	Shaw Park, Shaw Road, Wolverhampton, WV10 9LE	227.00
CW01	Wolverhampton Council	Civic Centre, St Peters Square, Wolverhampton, WV1 1SH	500.00
CW02	WMBC (Bins)	Civic Centre, St Peters Square, Wolverhampton, WV1 1SH	136.50
36 Entries Totalling			1,087,494.46

Signature _____

Begbies Traynor (SY) LLP
PSL Housing Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
0 Entries Totalling			0.00	0.00	0.00

Signature _____

Begbies Traynor (SY) LLP
PSL Housing Limited
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

Signature _____

ESTIMATED STATEMENT OF AFFAIRS

Notes to the estimated Statement of Affairs.

1. The book debts and chattel assets are subject to fixed and floating charges granted in favour of Easy Invoice Finance Limited and Cavendish Investments (Manchester) Limited. The name and type of security held by each charge holder is indicated on the statement of affairs.
2. The book debts are subject to a factoring agreement with Easy Invoice Finance Limited ('EIF'). EIF have confirmed that prior to appointment the collections were completed by the director with EIF having very little input to the collection process. The estimated to realise value of the book debts is shown as uncertain as the director is not co-operating with the joint administrators and it is also apparent that a number of the debtors are disputed.
3. The chattel assets have not at this stage been professionally valued, the book value figure has been taken from a stock count dated 4 December 2019, which recorded stock with a value of £558,198.28, comprising of scaffolding equipment. The estimated to realise value is shown as uncertain as the director has failed to co-operate with the joint administrators and the whereabouts of the stock is not currently known.
4. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
5. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
6. The director has failed to provide details any debts due to HM Revenue & Customs in respect of VAT, PAYE and NIC, however it is anticipated that they will have claims in the administration.
 7. The claim of HM Revenue & Customs represents outstanding Corporation Tax.
 8. The indebtedness to EIF is supported by a personal guarantee from Carl Warrilow and is without limit.
 9. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.

10. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

REMUNERATION AND EXPENSES

Total time spent to 23 April 2020 on this assignment amounts to 58.4 hours at an average composite rate of £314.17 per hour resulting in total time costs to 23 April 2020 of £18,347.50

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (SY) LLP's charging policy
- ❑ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis attached.
- ❑ Narrative summary of time costs incurred
- ❑ Table of time spent and charge-out value
- ❑ The Administrators' fees estimate
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- 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;

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

² Ibid 1

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.

Services provided by other entities within the Begbies Traynor group

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

Instruction of BTG Advisory to provide services relating to the recovery of the Company's debtor ledger. Their charges will be equivalent to 15% of realisations.

Eddisons Commercial Limited are also instructed to provide assistance with locating the Company's assets in order to provide appropriate valuations and disposal strategies. It is anticipated that the costs associated with this work will be £2,000.00 plus VAT and 10% of realisations.

In addition to the services detailed above, 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 cost of insurance for the 3 month period immediately following appointment is inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

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

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

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

(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

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 Sheffield office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

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.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: PSL Housing Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Kris Anthony Wigfield AND Gareth Prince

DATE OF APPOINTMENT: 13 March 2020

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to be instructed by Easy Invoice Finance Limited ("EIF"), we spent time advising EIF on the appropriate process for appointing joint administrators. A full breakdown of the pre appointment work undertaken is provided in the main body of the Proposals, however a further summary is provided below:-

- Review of the Company's financial position;
- Liaising with EIF in respect of their security and indebtedness;
- Liaising with Freeths LLP ('Freeths') and EIF in respect of lodging the Notice of Appointment;
- Completion of file set up, pre appointment statutory and compliance requirements;
- Completing a review of the of the security documents in conjunction with Freeths;
- Formulating a strategy in regard to the floating charge appointment and liaising with solicitors and EIF in respect of lodging the Notice of Appointment.

1.4 Complexity of work undertaken prior to appointment

The work is complex as it involved a floating charge appointment and involved high level strategy discussions with EIF regarding the appointments and the completion of the documentation to facilitate the appointment.

1.5 Exceptional responsibilities

The majority of the work was undertaken by the proposed administrators and senior case staff due to the complex nature of the work.

1.6 The proposed Administrators' effectiveness

As a result of the pre-appointment work undertaken, EIF's position has been protected and they have been able to take control of the collection of book debts in order to reduce their indebtedness.

1.7 The views of the creditors

The views of the Company's creditors with regards to the discharge of the pre-appointment costs have not been sought directly until this point.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

We are seeking agreement to a resolution in relation to our pre-administration costs together with legal costs as follows:

That the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

There have been no category 2 disbursements.

1.10 Other professionals employed & their costs

Freeths LLP ("Freeths") were chosen to advise on the legal matters and advice relating to the appointment. Freeths were instructed due to their extensive experience in dealing with insolvency matters. They have incurred £3,505.90 in assisting with matters at the pre-appointment stage.

1.11 Staffing and management

The staff were chosen based on their experience, qualifications and knowledge of dealing with similar administrators. The case is overseen by two licenced insolvency practitioners within the Sheffield and Birmingham offices and a manager, who have dealt with the pre appointment matters leading up to the appointment.

In addition, the day to day running of the case will be dealt with by a manager, a senior case administrator and a junior case administrator within the Sheffield office who, will report to both the office holders on a frequent basis, to ensure all statutory matters are complied with and completed in the relevant timescales.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (SY) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.

2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.

Staff Grade		Consultant/ Partner	Director	Snr Mngr	Mngr	Analyst - Forensic	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration	Administration								0.3	0.1	0.40	56.00	140.00
	Case planning												
Assets	Negotiation of sale of business +/- assets												
	Other creditors												
Creditors	Secured - correspondence and meetings												
	Meetings and correspondence with directors				5.2						5.20	1,794.00	345.00
Other Matters	Travel												
Total hours by staff grade					5.2				0.3	0.1	5.6		
Total time cost by staff grade £					1,794.00				42.00	14.00		1,850.00	
Average hourly rate £					345.00				140.00	140.00			330.36
Total fees drawn to date £												0.00	

PSL Housing Limited

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done in the period of the report since we were appointed, 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.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we formed a strategy for how the case will be managed. This takes into account Easy Invoice Finance Limited ("EIF") indebtedness and the possibility of the debtor ledger being reassigned to the Company during the course of the Administration. It also takes into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

A case specific diary template has been added to our system, which assists us in keeping all statutory matters up to date. Steps have also been taken to arrange for relevant insurance cover to be put in place.

Time has been spent updating internal systems to ensure that all information required to allow the us to effectively manage the administration of the case, has been obtained and held.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that we carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as *Statements of Insolvency Practice*. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

During the reporting period, in line with the requirements of the Insolvency Act 1986 and recognised best practice, we have:

- 1) Dealt with the post appointment statutory formalities including statutory advertising;
- 2) Prepared the accompanying Proposals for circulation to creditors, together with other written resolutions by correspondence, for approval; and
- 3) Dealt with other sundry regulatory compliance matters.
- 4) Notifying creditors of our appointment
- 5) Notifying Companies House of our appointment and updating the registered office address.

A statutory bond has been requested to cover the realisations received into the case for the benefit of the Company's creditors.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

Within three months of appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

We have requested the required information to enable our investigations to begin imminently. This will be required to allow us to undertake our investigations in due course and meet the requisite statutory obligations.

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. Enquiries have been made with the director and contractors to try and ascertain the location of the Company's scaffolding stock and other assets.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales and may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

To date, we have been made aware that the Company's assets, mainly scaffolding, are scattered across the country at various sites. Work has been done to try and locate these assets, with assistance from Eddisons Commercial Limited ("Eddisons"), an entity within the Begbies Traynor Group, however the progress of this work has been restricted by the Covid-19 HM Government restrictions.

We have also spent time, establishing contact with the Company's landlord to ensure that sufficient security is in place at the Company premises and to arrange access to enable Eddisons to provide a valuation of the assets on site. Obtaining access to the premises has so far been restricted due to a combination of the landlord being out of the country and the Covid-19 HM Government restrictions, however arrangements have now been made for Eddisons to gain access to the premises.

Time has also been incurred liaising with Easy Invoice Finance Limited ("EIF") in respect of the outstanding book debt ledger.

To date, this work has not provided any financial benefit to creditors however, this work is required in order to progress the administration.

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

We have spent time liaising with EIF in respect of their indebtedness and how it is to be repaid.

In addition, we have dealt with creditor queries received in respect of the process.

There has been no financial benefit to creditors to date.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed. The pack of information we prepare to obtain these resolutions has been completed and circulated to the known creditors.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

Time has been spent identifying the Company's pension scheme through an S120 search.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

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

Why have subcontractors been used?

Freeths LLP ("Freeths") were instructed to deal with the formalities of applying to Court for a Notice of Intention to Appoint Administrators ("NOI") on behalf of EIF. Freeths were instructed based on their extensive knowledge of insolvency procedures.

Eddisons were instructed to assist with the asset collection and will be required to value and dispose of the assets once collected. Eddisons are a RICS regulated agent and have a depth of knowledge in insolvency procedures.

Eddisons Insurance Services Limited have been engaged to provide cover for the assets on an open cover basis.

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

We will continue to complete works required to maintain the administration including periodically reviewing the case to ascertain which works remain outstanding by updating the electronic diary systems and statutory checklists which will ensure all statutory requirements have been completed during the course of the administration and, in readiness for closure as and when required.

In addition, all statutory documentation which is required to be issued to the relevant parties during the course of the administration will be compiled and issued on the statutory due dates.

Time will be spent reviewing and compiling an inventory of the records collected from the Company.

Periodic case reviews will be carried out one, three and six monthly intervals to ensure that all statutory documentation has been completed and issued in the relevant timescales and that any outstanding matters within the administration have been concluded as necessary.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

Compliance with the Insolvency Act, Rules and best practice

We will prepare and submit to all relevant parties the statutory administrators deemed approval, six monthly progress report and final report pursuant to The Insolvency Act 1986 and deal with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors.

In addition, banking duties will be carried out by way of the posting of income and expenditure, and reconciling the bank account together with the processing of bank statements etc.

Also, periodic bond reviews will be carried out to ensure that the case remains adequately bonded and remains bonded throughout the administration process.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

Investigations

We have a statutory obligation to submit a report on the directors' conduct to The Department for Business Energy and Industrial Strategy ("DBEIS"). The contents of this report are of a confidential nature between the administrators' and DBEIS and any necessary investigations will be conducted by the joint administrators' in due course.

In order that the above work can be carried out, we will carry out a thorough review of the Company's books and records together with a review of the Company's bank statements to identify any unusual payments that may have occurred during the period prior to the our appointment. In addition, we will review any concerns received from creditors with regard to the directors' conduct.

Dependant upon their findings following the above investigations, this could uncover potential claims which may need to be investigated further during the course of the administration. Any such investigations will be carried out if and when required.

To date, we are unaware as to whether the above work will provide any financial benefit to the Company's creditors as it is uncertain as to whether any realisations will be achievable from these sources.

Realisation of assets

The joint administrators will continue to liaise with Eddisons in respect of locating and collecting the Company's assets. Once the assets are collected, we will liaise with Eddisons to decide on a disposal strategy.

In addition, the Company entered into a invoice finance agreement with EIF in respect of its book debts. EIF are owed a sum and therefore will collect the book debts until their indebtedness has been repaid. If and when they ledger is reassigned to the Company, we will instruct specialist debt recovery experts at BTG Advisory, a division within the Begbies Traynor Group, to collect the ledger.

This work should provide a financial benefit to creditors, if realisations are made, as it will increase the net property of the estate.

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

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

We will continue to liaise with the Company's creditors by way of verbal and written communications with regard to any queries that may arise in relation to their claims within the administration proceedings and any queries which they may have.

We will need to investigate the employee position in order to establish who the employees were and any potential claims that they may have.

In addition, we will continue to liaise with EIF regarding their indebtedness and the progress of this being repaid.

The above work will not secure any realisations into the administration estate therefore, will not provide any financial benefit to the Company's creditors. However, such work will ensure that the creditors receive a dividend from realisations achieved.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

We will continue to liaise with HM Revenue & Customs ("HMRC") with regard to the submission of their VAT and corporation tax returns as and when these fall due.

The above work will not provide any financial benefit to the Company's creditors however, the majority of the work detailed above is of a statutory requirement which we must comply with.

How much will this further work cost?

As you will see from the attached fee estimate, we anticipate that our total post-appointment time costs in this matter will be in the region of £98,249.50. To date time costs of £18,347.50 have been incurred. Future fees of £79,902 are therefore estimated to be incurred.

Please note that our fee estimate is an estimate based upon time spent on similar historic cases and the matters which the joint administrators believe will be most time consuming during the administration process. As such, the estimate is subject to change and may vary depending upon the specific issues of the case as they arise.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at Appendix 3.

SIP9 Psl Housing Limited - Administration - 91PS031.ADM : Time Costs Analysis From 13/03/2020 To 23/04/2020

Staff Grade	Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	0.3	3.1		22.7				0.2		0.5	176.50	353.00
								10.1	0.3	36.2	10,667.00	294.67
Compliance with the Insolvency Act, Rules and best practice												
Appointment												0.00
Banking and Bonding								0.2	0.6	0.8	112.00	140.00
Case Closure												0.00
Statutory reporting and statement of affairs		1.2		1.4	0.8					3.4	1,217.00	357.94
Total for General Case Administration and Planning												
Investigations	0.6	2.6		5.5						8.7	3,351.50	385.23
Realisation of assets												
Debt collection		1.6								1.8	801.00	445.00
Property, business and assets sales		0.4		3.6						4.0	1,420.00	355.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets												
Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
				0.6			1.7	0.4		2.7	950.50	207.59
Other matters which include seeking decisions of creditors, meetings, tax, litigation, petitions and travel												0.00
												0.00
								0.3		0.3	42.00	140.00
												0.00
												0.00
												0.00
Total for General Case Administration and Planning												
Total hours by staff grade:	0.9	9.1		33.8	0.8		1.7	11.2	0.6	58.4		
Total time cost by staff grade	446.50	4,040.50		11,861.00	200.00		287.50	1,554.00	126.00		16,347.50	
Average hourly rate £	465.00	445.00	0.00	348.00	250.00	0.00	175.00	140.00	140.00			314.17
Total fees drawn to date £											0.00	

PSL HOUSING LIMITED
THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used 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 work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	92.20	24,131.00	261.72
Compliance with the Insolvency Act, Rules and best practice	46.10	11,272.00	244.51
Investigations	94.20	27,023.00	286.87
Realisation of assets	82.00	22,665.00	276.40
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	34.80	9,663.00	277.67
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	14.10	3,411.50	241.95
Total hours	363.40		
Total time costs		98,249.50	
Overall average hourly rate £			270.36

Although the fees estimate indicates that the total time costs for this matter will be £98,249.50, we are unaware of the level of assets that we will be able to realise at this early stage therefore, we are unable to estimate the level of assets of which we can draw our fees from. However, please note that should there be unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 24 April 2020

PSL HOUSING LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	£243.00 + VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	£20.00 + VAT
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy.	£2,000 inc IPT (depending on level of assets subsequently identified)
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	£77.60 + VAT
5.	Agent's valuation fees and disbursements	Eddisons Commercial Limited and their anticipated disbursements	£3,000 + VAT plus 10% of realisations
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements.	£20,000 + VAT
7.	Debt collection fees and disbursements	The fees of any third party instructed by the Insolvency Practitioner to assist with the collection of the debts of the insolvent entity and their anticipated disbursements.	15% of realisations
8.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate.	£30.00 + VAT
9.	Postage	Royal Mail	£63.60 + VAT

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.