



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 1 7 1 3 9 5 3

Company name in full Spraytech Coachworks Ltd t/a Spraytech

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Amie Helen

Surname Johnson

### 3 Administrator's address

Building name/number 1 Kings Avenue

Street

Post town

London

County/Region

Postcode

N 2 1 3 N A

Country

### 4 Administrator's name ①

Full forename(s) Ninos

Surname Koumettou

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 1 Kings Avenue

Street

Post town

London

County/Region

Postcode

N 2 1 3 N A

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

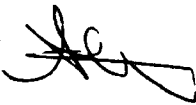
### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X 

X

Signature date	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 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 **Samantha George**

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

Address **1 Kings Avenue**

Post town **London**

County/Region

Postcode **N 2 1 3 N A**

Country

DX **DX 36953 Winchmore Hill**

Telephone **020 8370 7250**

**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**

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

Amie Helen Johnson and Ninos Koumettou were appointed joint administrators on 15 July 2020

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.

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## Spraytech Coachworks Ltd t/a Spraytech (In Administration)

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### Progress report of the joint administrators

Period: 15 July 2020 to 14 January 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.

This report has been produced during the Covid-19 HM Government restrictions. As a result, access to information within our physical case files has been limited as my 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 accordingly.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Spraytech Coachworks Ltd t/a Spraytech (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 15 July 2020
"the administrators" "we" "our" and "us"	Amie Helen Johnson and Ninos Koumettou of Begbies Traynor (Central) LLP, 1 Kings Avenue, Winchmore Hill, London, N21 3NA
"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	Spraytech Coachworks Ltd
Trading name(s):	Spraytech
Date of Incorporation:	5 December 2018
Company registered number:	11713953
Company registered office:	1 Kings Avenue, Winchmore Hill, London, N21 3NA

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Amie Helen Johnson, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1 Kings Avenue, Winchmore Hill, London, N21 3NA and Ninos Koumettou, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1 Kings Avenue, Winchmore Hill, London, N21 3NA
Date of administrators' appointment:	15 July 2020
Date of administrators' resignation:	N/A
Court:	High Court of Justice Business and Property Courts in Birmingham
Court Case Number:	CR-2020-BHM-000393
Person(s) making appointment / application:	Dominic Peter Fiore of 28 Prior Street, London, SE10 8SF
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.
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.
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 15 July 2020 to 14 January 2021.

#### ***Sale of Company's Business, Goodwill and Assets / Rent Deposit***

On 15 July 2020, the Joint Administrators' sold the business, goodwill and assets of the Company, for the sum of £150,000, to A D Williams (Enfield) Ltd ('ADW'). ADW was an associated party by virtue of the fact that its director, Mr Stuart Baccus, was also a shareholder of Palace Group Holdings which was the Company's sole shareholder. As part of the agreed sale, the Lease on the Company's former trading premises was also assigned to ADW and the rent deposit, net of any outstanding rent due, was returned back to the Company. In this respect, we can confirm that the sum of £13,000 was subsequently recovered in relation to the net rent deposit.

The “in-situ” and “ex-situ” valuations as provided by our agent are as set out below together with the agreed sale consideration. Given that the Company’s business and assets are being sold by way of a sale of business as a going concern, the sale consideration amounts are not subject to VAT.

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	e.g. In-situ	e.g. Ex-situ	
<u>Fixed Charge Assets</u>			
Goodwill	133,860	50,000	85,000
<u>Floating Charge Assets</u>			
Office Furniture & Equipment	11,445	1,920	10,000
Plant & Equipment	54,915	17,155	55,000
Stock	Nil	Nil	Nil
Vehicles	Nil	Nil	Nil
Premises (Deposit)	75,000	Nil	13,000
Total	275,220	69,075	163,000

I can confirm that, in accordance with the terms of the Sale Agreement (“SPA”), upon completion the purchaser was to pay an initial sum of £28,000, comprising an initial payment of £15,000 together with the net rent deposit of £13,000.

The remaining balance of £135,000 was to be paid by way of nine equal monthly instalments of £15,000 commencing one month following completion and each month thereafter, with the final payment falling due on 15 April 2021.

As can be seen in the attached Receipts and Payments Account, the sum of £103,000 was received during the current reporting period and the purchaser is therefore maintaining payment of the ongoing deferred payments.

#### Book Debts Subject to Invoice Finance / Smart Business Link Ltd

The Company’s book debts are subject to an invoice finance agreement with Smart Business Link Ltd (“SBL”). The Company’s records indicated that, at the date of Administration, there were outstanding book debts of £167,830 and the outstanding debt due to SBL was £160,873.60. The director confirmed at the time that there were reconciliation queries in relation to the account which remained outstanding which would affect the outstanding liability due to SBL and that the position would need to be properly quantified.

I can confirm that a number of meetings and discussions have subsequently been held between SBL and the Joint Administrators and their solicitors in relation to its outstanding position with the Company. At present, it appears that the actual liability to SBL is circa £500,000 which has increased as a result of debtor funds, which were subject to the invoice finance agreement, being paid directly to the Company by its customers, which were then retained and utilised for trading expenditure rather than being transferred to SBL in settlement of monies that had already been advanced.

Further funds, totalling £73,466.71 have also subsequently been received from various customers following the Company’s Administration which have subsequently been claimed by both ADW, who believe these are for payments for work undertaken following the Company’s administration, and SBL, who claim the monies in question relate to work carried out by the Company prior to Administration and fall under the terms of the invoice finance agreement. The Joint Administrators have referred this to our solicitors for advice. Both the Joint Administrators and our solicitors are continuing to liaise with the respective customers as well as ADW and SBL with a view to establishing the rightful beneficiaries of these monies. In the meantime, the funds are held in suspense and will not be utilised for any other purpose until such time as it has been established which party they belong to.

Creditors will therefore be updated further in relation to this matter in due course.



#### Debtor Monies Received

The sum of £3,376.51 has been received from a debtor in relation to monies due to the Company.

#### Cash at Bank

Funds totalling £5,278.91 have been received from Barclays Bank Plc and represents the credit balance held in the Company's account at the time of Administration.

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?

I would confirm that during the period of the Administration to date, the Joint Administrators have continued to make efforts to realise and deal with the Company's assets, as referred to further above, as well as addressing correspondence generally, as reported below.

In addition to dealing with all statutory and compliance matters associated with maintaining the administration, our staff have dealt with any creditor correspondences and telephone calls received in relation to the progress of the administration. These tasks were completed in line with best practice guidelines. The completion of these tasks are standard insolvency requirements and are of no financial benefit 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 details below relate to the work undertaken in the current reporting period, following the Joint Administrators' appointment in this matter.

#### 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 will form a strategy for how the case will be managed. This will take 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.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

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

The work undertaken in this respect during the current reporting period is as follows:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.

Setting up physical/electronic case files (as applicable).

Setting up the case on the practice's electronic case management system and entering data.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Dealing with all routine correspondence and emails relating to the case.

Liaising with the Company's bankers regarding the credit balance held in the Company's various accounts.

Opening, maintaining and managing the office holder's estate bank account.  
Creating, maintaining and managing the office holder's cashbook.  
Undertaking regular reconciliations of the bank account containing estate funds.  
Reviewing the adequacy of the specific penalty bond on a quarterly basis.  
Undertaking periodic reviews of the progress of the case.  
Overseeing and controlling the work done on the case by case administrators.  
Preparing and filing VAT returns.

#### Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules requires the Joint Administrators to notify all relevant bodies of our appointment as Joint Administrators. In this respect, I would confirm that appropriate documents were filed with the Court, the Registrar of Companies, all known creditors as well as other interested parties such as local authorities, the Company's bank and the Company's accountant. Notice of our appointment together with details regarding the subsequent virtual meeting of creditors was also advertised in the London Gazette. I would advise that the sum of £216.00 has been paid to our advertising agents in this respect.

The Insolvency Act and Rules requires us to produce and issue our Statement of Proposals within the first 8 weeks of our appointment. This provides creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the Administration, to date, and the work which will be undertaken going forward in order to facilitate the achievement of the purpose of the Administration. I confirm that we have complied with this requirement and our Statement of Proposals was issued to creditors on 2 September 2020 and has been filed with the Registrar of Companies under the Act. We have also monitored realisations during the Administration period, to date, to ensure that the Statutory Bond is sufficient to cover the value of total realisations received during the Administration and, in turn, to protect the interests of the Company's creditors. The sum of £148.50 has been paid to our bond providers in this respect.

#### Realisation of assets

There are certain tasks that we only have to carry out where there are assets to recover. They may produce a direct benefit for creditors but are subject to the costs of the proceedings generally. We undertake the work to protect and then realise the assets, initially at our own cost, suffering the loss if any asset is not realisable. If assets are recovered, we first recover our costs and then distribute any balance. The work undertaken in this respect during the current reporting period is as follows:

Collection of the deferred consideration from ADW in respect of the sale of the Company's business, goodwill and assets.

Liaising with SBL in relation to the invoice finance agreement, the Company's debtors and the outstanding balance due from the Company per their records.

Liaising with our solicitors as well as SBL, ADW & various customers of the Company in relation to monies paid to the Company and the potential rightful beneficiaries of those funds.

#### Initial Investigations

The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are any potential recovery actions for the benefit of creditors. The costs of undertaking such an initial investigation are included in the fixed fee which was previously agreed by creditors. The work undertaken in this respect is as follows:

Recovering the books and records for the case.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

If potential recoveries or matters for further investigation are identified, then the office holders will need to incur additional costs to investigate them in detail and to bring recovery actions where necessary.

The office holders are also required by legislation to report to the Department for Business, Innovation & Skills on the conduct of the directors and the work required in this respect, to enable them to comply with this statutory obligation, is of no direct benefit to creditors, although it may identify potential recovery actions. We can confirm that we have complied with our requirement to submit a report on the directors' conduct.

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

I can confirm that this office has dealt with all creditor queries as and when received. Creditors' claims have, to date, been logged on our system but I have not yet taken steps to agree or admit any of the claims received.

Other matters which include, seeking decisions from creditors (via virtual meeting), Tax, Pensions and Travel

During the course of administering the case, the Insolvency Practitioners may be required to carry out additional work which doesn't necessarily fall under any of the other categories above. This may include:

Seeking additional decisions from creditors on various proposed resolutions, including where relevant an increase to our original remuneration estimate, and whether a creditors committee is formed.

The submission of 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.

## 5. ESTIMATED OUTCOME FOR CREDITORS

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

### Secured creditor

Charalambous Charalambous, Anna Charalambous, Alex Charalambous and Andrew Charalambous hold a Debenture, incorporating a fixed and floating charge, which was created on 9 July 2019. The Charalambous family were the original shareholders of the Company and sold these shares to Palace Group Holdings Ltd on 9 July 2019. The Charalambous family took a Debenture and a Chattel Mortgage over the Company by way of a guarantee against all monies due from Palace Group Holdings Ltd under that share sale agreement.

Following a dispute between Palace Group Holdings Ltd and the Charalambous family in relation to the monies due under the share sale agreement, a settlement was reached whereby a new purchaser stepped into the shoes of Palace Group Holdings Ltd and a settlement of an agreed sum was put in place simultaneously with the sale of the Company's business, goodwill and assets and its Administration.

Following a review of the Debenture and Chattel Mortgage, which was carried out by our solicitors, it was determined that the Chattel Mortgage was invalid for want of registration and the Debenture may be subject to challenge under the provisions of the Act.

Notwithstanding this, a settlement was reached between the Charalambous family and the new purchaser of the shares and it was therefore not envisaged that the Charalambous family would have any further claim against the Company. We can confirm that no claim has subsequently been received in this respect.

The Company also entered into an invoice finance facility with SBL on 1 July 2019, which effectively provided SBL with security over the book debts which the Company factored with SBL. Despite no formal Charge being

registered against the Company at Companies House in relation to this facility, our solicitors have confirmed that under the terms of the agreement between the two companies, SBL are entitled to receive payment from the respective debtors for which finance was provided.

As set out further above, the collection of these debtors remains ongoing and there are some funds which are currently being held in suspense by the joint liquidators pending legal confirmation as to their rightful beneficiary.

#### Preferential creditors

As a result of the sale of the business and assets, to AD Williams (Enfield) Ltd and the employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, there are no known preferential claims in relation to unpaid wages or holiday pay.

It is understood that the sum of £20,539.77 is due from the Company in relation to unpaid pension contributions due for the months of March 2020, April 2020, May 2020 & June 2020 and further confirmation of the position is currently awaited from the Company's pension providers.

#### Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HM Revenue & Customs is estimated at £Nil.

#### Unsecured creditors

Claims of unsecured creditors were estimated at £1,444,514.45 which includes the Company's liability to HM Revenue & Customs in the sum of £573,143.00.

We can confirm that, to date, formal claims amounting to £673,572.30 have been received.

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

#### Secured creditor

Accordingly and particularly in view of the increased liability which is being claimed by SBL as being due from the Company, it remains uncertain as to whether the liability to SBL will be discharged in full from collections or whether there will be any disputes / bad debts, which may result in a shortfall being suffered.

If any ultimate shortfall is suffered by SBL then they will be entitled to submit an unsecured claim in the Company's Administration.

#### Preferential creditors

We consider that there will be sufficient funds available to facilitate the payment of a dividend to the Company's preferential creditors.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for

preferential debts and the costs of realising the floating charge assets). The 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)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

#### Unsecured creditors

Based upon realisations to date and estimated future realisations, we consider that there will also be sufficient funds available to facilitate the payment of a small dividend to the Company's 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

The following amounts in respect of unpaid pre-administration costs were approved at the initial meeting of creditors held on 18 September 2020:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	27,111.50	5,422.30	32,533.80
Legal costs	The Wilkes Partnership LLP	22,726.00	4,545.20	27,271.20
Agents costs	Rabbow & Co	15,000.00	3,000.00	18,000.00
<b>TOTAL UNPAID PRE-ADMINISTRATION COSTS</b>		<b>64,837.50</b>	<b>12,967.50</b>	<b>77,805.00</b>

We can confirm that all unpaid pre-appointment costs, as set out above, have now been fully discharged from the funds held in the Administration.

## 7. REMUNERATION & DISBURSEMENTS

The Joint Administrator's remuneration was previously authorised by the creditors at the virtual meeting of creditors which took place on 18 September 2020. We were authorised to draw a fixed fee of £30,000 plus VAT for our work in respect of Administration, Creditors and Initial Investigations.

We can confirm that during the period covered by this report, the sum of £26,966.67 plus VAT has been drawn on account of this agreed fee. The balance of £3,033.33 plus VAT has been drawn in the period subsequent to that covered by this report.

The Joint Administrators were also authorised to draw a percentage of realisations for our work in respect of the realisation of the Company's various assets, as set out below:

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

Description of asset	Value of assets realised in period of this progress report	Total value of assets realised since appointment	% remuneration agreed	Total fees drawn to date	Fees not drawn to date
Rent Deposit	£13,000.00	£13,000.00	20%	£Nil	£2,600.00
Plant & Equipment	£33,000.56	£33,000.56	20%	£Nil	£6,600.11
Furniture & Equipment	£6,000.12	£6,000.12	20%	£Nil	£1,200.02
Goodwill /IP	£50,999.32	£50,999.32	20%	£Nil	£10,199.86
Book Debts	£3,376.61	£3,376.61	20%	£Nil	£675.32
<b>TOTAL</b>	<b>£106,376.61</b>	<b>£106,376.61</b>		<b>£Nil</b>	<b>£21,275.31</b>

Finally, the Joint Administrators were also authorised to draw 20% of distributions made for our work agreeing creditors' claims and making the distribution to creditors. As no distributions have been made, to date, we are not entitled to draw any remuneration in this respect.

### Disbursements

To 14 January 2021, we have incurred total expenses of £641.67 as set out below. No expenses have been drawn during the current reporting period from the funds held in the estate.

Type of expense	Amount incurred/ accrued in the reporting period
Postage	£277.17
Statutory Advertising	£216.00
Specific Bond	£148.50

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 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](http://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 showing the total expenses incurred during the current reporting period appears at Appendix 2.

We have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
The Wilkes Partnership LLP	Solicitors – Legal advice / work undertaken pertaining to the dispute over the debtor monies held by the Company. Reviewing various documentation and liaising with the secured creditor, the purchaser of the Company's business and assets and various customers, in this respect, with a view to determining the rightful beneficiaries of the monies in question, as well as all other general legal advice as required.	Time Costs plus Disbursements and VAT

The choice of professionals was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also considered that the basis on which they will charge their fees represents value for money.

The Wilkes Partnership LLP ("Wilkes") Solicitors were instructed to assist the Joint Liquidators in relation to the validity of the invoice finance agreement between the Company and SBL and subsequently, to liaise with SBL, ADW and the customers in relation to the disputes which have arisen over ownership of debtor monies which have been received in the estate following the Company's administration.

We can confirm that during the current reporting period, no fee has been paid to our solicitors for the work undertaken in relation to this matter. The sum of £4,975.50 plus VAT was, however, paid during the period subsequent to that covered by this report.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £9,270.90. Of this sum, it was estimated that fees amounting to circa £7,000 would be paid in relation to legal fees to be incurred post-administration. The sum of £4,975.50 plus VAT has been paid to our solicitors in the subsequent period to that covered by this report in relation to their ongoing work in relation to the dispute regarding the Company's debtor monies. Unfortunately, in the circumstances, we consider that, in addition to those already incurred, specifically the legal expenses which we are likely to incur to the conclusion of the case will exceed our original estimate as a consequence of the ongoing work in relation to the debtor position.

This work is necessary and must be undertaken by our solicitors in view of the nature of the dispute and the various parties which are claiming the debtor funds.

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

Assets that remain to be realised

As referred to further above, deferred payments remain due from ADW, the purchaser of the Company's business, goodwill and assets. These monies, which amount to £60,000 will continue to be collected on a monthly basis as per the terms of the sale agreement.

Further work also needs to be undertaken with our solicitors in relation to the Company's debtor monies referred to further above.

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 maintain records to demonstrate how the case is administered and to document any decisions that materially affect the case. We will also continue to review the case periodically to assess the progress of the Administration and highlight any issues that are outstanding and need follow up.

All routine correspondence will continue to be dealt with as well as the completion and filing of statutory returns to HMRC. The office holders cashbook will continue to be maintained and regular reconciliations of the Company's estate bank account will be undertaken.

As the Administration is due to conclude in the next 6 months, by 14 July 2021, the Joint Administrators will also need to give consideration to making an application to Court if any extension of the Administration is deemed necessary or will, alternatively give consideration to placing it into creditors' voluntary liquidation.

### Compliance with the Insolvency Act, Rules and best practice

Statutory Reports on the progress of the Administration will continue to be prepared on a six-monthly basis in order to provide creditors with an update regarding the progression of the Administration. Once the Administration is brought to an end, we will also prepare our final report, to be issued to the Company's members and creditors as well as being filed at Companies House and the Court.

We will also continue to monitor the level of assets to ensure the bond cover remains sufficient.

### Investigations

We will continue to investigate, as necessary, any matters pertaining to the Company and its affairs prior to our appointment as Joint Administrators.

### Realisation of assets

As detailed above, there are recoveries still to be made from ADW in relation to the deferred payments due under the terms of the sale agreement and further debtor monies still to be realised by SBL under its' invoice finance agreement. The realisation of the Company's remaining assets will continue to be made.

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

Claims of creditors – the office holders need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case and to ensure that



notices and reports can be issued to the creditors. The office holders also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received.

Dividends – the office holders have to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation.

The work anticipated still to be undertaken in this respect is as follows:

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Obtaining and reviewing proof of debt forms received from unsecured creditors, adjudicating on them and either rejecting or formally admitting them for payment of a dividend.

Requesting additional information from creditors in support of their proof of debt forms in order to adjudicate upon their claims.

Issuing a notice of intended dividend and placing the appropriate gazette notice.

Calculating and paying a dividend to creditors and issuing a notice of declaration of dividend.

How much will this further work cost?

The costs of the work still to be undertaken forms part of our agreed fees.

## 10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed

We have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
15 July 2020	Goodwill / IP Office Furniture & Equipment Plant & Equipment, Premises	£150,000 payable as follows: On Completion - £15,000 15/08/2020 - £15,000 15/09/2020 - £15,000 15/10/2020 - £15,000 15/11/2020 - £15,000 15/12/2020 - £15,000 15/01/2021 - £15,000 15/02/2021 - £15,000 15/03/2021 - £15,000 15/04/2021 - £15,000	AD Williams (Enfield) Ltd	The purchaser is a connected party as its director, Mr Stuart Bacchus is also a shareholder of Palace Group Holdings Ltd, the sole shareholder of the Company.

## Proposed exit route from administration

We would remind creditors that our Proposals stated that in order to achieve the objective of the Administration, which was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, we should continue to manage the business, affairs and property of the Company and, in particular that we:

- Collect the deferred consideration from AD Williams (Enfield) Ltd, in respect of the sale of the Company's business, goodwill and assets;
- Collect the surplus rent deposit which remains due to the Company;
- Realise the credit balance held in the Company's various bank accounts;
- Liaise with SBL in relation to the collection of the Company's book debts which are subject to invoice finance and to determine whether any surplus can be recovered for the general body of creditors;
- Investigations and reporting on the conduct of the directors;
- If appropriate, pursue any claims that the Company may have against any person, firm or Company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company;
- Do all such things and generally exercise our powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or any purpose incidental to these Proposals;
- Closure of the Administration.

Once all matters pertaining to the realisation of the Company's assets and the Administration generally have been concluded then, in the first instance, consideration is to be given to applying to the Court for approval that the Administrator be allowed to distribute any funds available to the Company's unsecured creditors without first placing the Company into Creditors' Voluntary Liquidation ("CVL").

Alternatively, if for any reason it is not possible to finalise the Administration, as envisaged, within the 12-month statutory period, i.e. one year from the date of our appointment, then our term of office may be extended, either by the Court or with consent of the Company's creditors, for a period not exceeding 12 months. If, for any reason, this course of action is not deemed appropriate and there are sufficient funds to distribute to the Company's unsecured creditors, the Administration will end by placing the Company into CVL and the Joint Administrators will be appointed the Joint Liquidators of the Company. This will enable the payment of any dividend to the Company's unsecured creditors from the funds held in the estate.

If, it subsequently transpires that, for any reason, any of the above courses of action are not possible, and there are insufficient funds with which to make a dividend to the Company's unsecured creditors, the necessary steps will be taken to place the Company into Compulsory Liquidation.

The Administration will continue for the time being to enable us to realise the remaining deferred payments due from ADW in relation to the sale of the Company's business, goodwill and assets, to allow SBL to continue to realise any debtor monies which remain due from customers and to enable us to conclude the position with regards the debtor monies that are held in in suspense in the estate and for it to be determined which party is rightfully due to receive these funds.

Creditors will therefore be updated further in relation to these matters in due course.

## 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

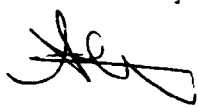
Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) 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.

Consideration will be given as to whether an extension of the Administration is required in the particular circumstances of this case and creditors will be updated further in relation to this matter in due course.

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



Amie Johnson LLB (Hons) MIPA MABRP  
Joint Administrator

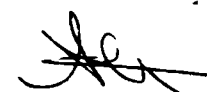
Dated: 9 February 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 15 July 2020 to 14 January 2021

**Spraytech Coachworks Ltd t/a Spraytech**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 15/07/2020 To 14/01/2021 £	From 15/07/2020 To 14/01/2021 £
	<b>GENERAL SECURED GROUP</b>		
75,000.00	Rent Deposit	13,000.00	13,000.00
(62,000.00)	Landlord - CAC Investments Limited	NIL	NIL
151,047.00	Book Debts subject to Invoice Finance	NIL	NIL
(160,873.60)	Smart Business Link Ltd	NIL	NIL
		13,000.00	13,000.00
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	0.90	0.90
3,811.31	Cash at Bank - Barclays	5,278.91	5,278.91
	Debtor Monies Received	3,376.61	3,376.61
1,920.00	Furniture & Equipment	6,000.12	6,000.12
50,000.00	Goodwill / IP	50,999.32	50,999.32
NIL	Leasehold Property Improvements	NIL	NIL
NIL	Motor Vehicles	NIL	NIL
17,155.00	Plant & Equipment	33,000.56	33,000.56
NIL	Shares - Spraytech Holdings Ltd	NIL	NIL
NIL	Stock	NIL	NIL
	Suspense Account	73,466.71	73,466.71
		172,123.13	172,123.13
	<b>COST OF REALISATIONS</b>		
	Administrators' Fees	26,966.67	26,966.67
	Agents/Valuers Fees (1)	15,000.00	15,000.00
	Legal Fees	23,945.50	23,945.50
	Pre-Appointment Fee	27,111.50	27,111.50
		(93,023.67)	(93,023.67)
	<b>PREFERENTIAL CREDITORS</b>		
(20,540.00)	Pension Contributions	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(573,143.00)	HMRC - PAYE/NIC/VAT/CIS/CT	NIL	NIL
(26,062.25)	Rates	NIL	NIL
(1.00)	The Charalambous Family (Contingent	NIL	NIL
(835,481.60)	Trade Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(5,000,104.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(6,379,272.14)</b>		<b>92,099.46</b>	<b>92,099.46</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		42.62
	Suspense Account		73,466.71
	Vat Receivable		18,590.13
			<b>92,099.46</b>



Amie Helen Johnson  
Joint Administrator

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## 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	The Wilkes Partnership LLP	12,302.30	Nil	12,302.30