

AM08

Notice of revision of administrator's proposals



Companies House

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1 Company details

Company number 1 1 9 5 4 2 2 5

Company name in full Accumulate Capital Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name County Court at Leeds

Court number C R 2 0 2 1 L D S 0 0 0 5 8 7

3 Administrator's name

Full forename(s) Kris Anthony

Surname Wigfield

4 Administrator's address

Building name/number 3rd Floor, Westfield House

Street 60 Charter Row

Post town Sheffield

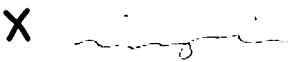
County/Region

Postcode S 1 3 F Z

Country

AM08

Notice of revision of administrator's proposals

5 Administrator's name ①		① Other administrator Use this section to tell us about another administrator.
Full forename(s)	Joanne Louise	
Surname	Hammond	
6 Administrator's address ②		② Other administrator Use this section to tell us about another administrator.
Building name/number	3rd Floor, Westfield House	
Street	60 Charter Row	
Post town	Sheffield	
County/Region		
Postcode	S 1 3 F Z	
Country		
7 Date of revised proposals		
Date	<div> <div>^d1</div> <div>^d3</div> <div>^m0</div> <div>^m4</div> <div>^y2</div> <div>^y0</div> <div>^y2</div> <div>^y2</div> </div>	
8 Revised proposals		
<input checked="" type="checkbox"/> I attach a copy of the revised proposals		
9 Sign and date		
Administrator's signature	Signature 	
Signature date	<div> <div>^d2</div> <div>^d6</div> <div>^m0</div> <div>^m4</div> <div>^y2</div> <div>^y0</div> <div>^y2</div> <div>^y2</div> </div>	

**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 Jack Dykes

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 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.

Accumulate Capital Limited (In Administration)

Statement of revised proposals of the Joint Administrators under the provisions of Paragraph 54 of Schedule B1 to the Insolvency Act 1986 and Rule 3.42 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of revised 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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Accumulate Capital Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 4 January 2022 and 3 March 2022 respectively.
"the Former Administrator"	Jeremy Michael Bennett of O'Haras Ltd, Moorend House, Snelsins Lane, Cleckheaton, BD19 3UE
"the Joint Administrators", "the Additional Administrators" "we", "our", "us"	Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Joanne Louise Hammond of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"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 Act

2. STATUTORY INFORMATION

Name of Company	Accumulate Capital Limited	
Trading name(s):	N/A	
Previous name(s):	EQT Capital Limited (18 April 2019 – 28 October 2019)	
Date of Incorporation:	18 April 2019	
Company registered number:	11954225	
Company registered office:	C/O Begbies Traynor, 3rd Floor Westfield House, 60 Charter Row, Sheffield, S1 3FZ	
Former registered offices:	Moorend House, Snelsins Lane, Cleckheaton, BD19 3UE	
	Canterbury Innovation Centre, University Road, Canterbury, CT2 7FG	
Trading address(es): (or attach a separate sheet if more than one)	Canterbury Innovation Centre, University Road, Canterbury, CT2 7FG	
Principal business activities:	Financial Management	
Directors and details of shares held in the Company (if any):	Name:	Shareholding
	Paul James Howells	300 - £1 Ordinary Shares
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	N/A	N/A
Accountants:	Lubbock Fine LLP, Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB	
Share capital:	300 - £1 Ordinary shares	
Shareholders:	Paul James Howells	
Moratorium under Part A1 of the Act::	No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment of Former Administrator:	18 November 2021
Date of replacement of Former Administrator:	3 March 2022
Court:	County Court at Leeds
Court Case Number:	CR2021LDS000587
Person(s) making appointment / application:	Mr Paul James Howells, in his capacity as the Company's director.
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply as defined by the Insolvency (England and Wales) Rules 2016 (as amended)
Date of appointment of Additional Administrator (Mr Wigfield):	4 January 2022
Date of resignation of Additional Administrator	N/A
Court:	High Court of Justice Business and Property courts in Leeds Insolvency and Companies List (ChD)
Court Case Number:	CR2021LDS000587
Person(s) making appointment / application:	Mr Paul James Howells, in his capacity as the Company's director.
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.

Date of appointment of Additional Administrator (Ms Hammond):	3 March 2022
Date of resignation of Additional Administrator	N/A
Court:	High Court of Justice Business and Property courts in Leeds Insolvency and Companies List (ChD)
Court Case Number:	CR2022LDS000106
Person(s) making appointment / application:	Kris Anthony Wigfield, in his capacity as the Company's Administrator per block transfer order.
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.

Jeremy Michael Bennett of O'Haras Limited ("O'Haras") was appointed as administrator of the Company on 18 November 2021.

Shortly thereafter, the creditors of the Company expressed their wishes that they would like an independent Licensed Insolvency Practitioner to be appointed jointly with Mr Bennett in order to ensure that there was a full, thorough and truly independent investigation of the affairs of the Company and its subsidiaries. At the request of the majority of the Company's creditors, Kris Anthony Wigfield of Begbies Traynor (SY) LLP ("BT") was appointed as an Additional Administrator on 4 January 2022 in accordance with paragraph 103 of Schedule B1 to the Act.

Upon Mr Wigfield's appointment it was agreed between O'Haras and BT that O'haras would continue with the sale of certain properties of the Companies with a view to achieving realisations in the Company's administration, as this element of work was ongoing, and that BT would be responsible for carrying out the investigations into the business and affairs of the Company.

The administrative function of the Accumulate Group ("the Companies") is based in Spain. It is therefore crucial to the administration of the Companies that the administrators have access to resources in Spain. Begbies Traynor ("Begbies") have specialist teams across Europe, through it's BTG Global Alliance Practice, as well as forensic capabilities within the United Kingdom and are therefore well placed to deal with the investigations of the affairs of the Companies. Due to Begbies' vast resources and capabilities, upon Mr Wigfield's appointment, the creditors of the Companies requested that BT deal with the investigation work that will be required to be undertaken by the administrators. O'Haras have informed the Additional Administrators that they do not have the resources available to assist with the remaining work and as such O'Haras and Mr Bennett suggested that it is in the best interest of creditors that Mr Bennett be replaced by Ms Hammond as Joint Administrator of the Companies in order to keep the costs of the administration down thereby improving the position of the creditors.

In addition, it was agreed that BT would prepare this Revised Proposal to ensure compliance with the Act and the Rules in relation to the content and approval process of the Original Proposal.

The Former Administrator was replaced on 3 March 2022 in accordance with Paragraph 88 of Schedule B1 to the Act and Rule 12.36(2)(b) of the Rules. Ms Hammond was appointed as Joint Administrator on the same date pursuant to Paragraph 95 Schedule B1 of the Act and Rules 12.36(2) of the Rules.

The Additional Administrators and the BT team are now responsible for progressing all aspects of the administration.

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 THE APPOINTMENT

The Former Administrator provided details of the circumstances that resulted in his appointment within the Original Proposals that were filed and made available at Companies House on 21 December 2021.

5. STATEMENT OF AFFAIRS

The director has not yet prepared a statement of affairs of the Company as at 18 November 2021.

In addition, the Original Proposals did not contain an estimated statement of affairs as required by paragraph 49 of schedule B1 to the Act.

The Additional Administrators have prepared an Estimated Statement of Affairs based on the information the director has provided to date and this is enclosed at Appendix 2.

The Additional Administrators' comments on the statement of affairs are as follows:

- Any information that is deemed to be commercially sensitive has been redacted in accordance with the Act and the Rules.
- The information that has been provided by the director has not yet been verified. The accuracy of this information will be reviewed as part of BT's investigatory work.
- The Additional Administrators are aware of a number of concerns raised by the Company's creditors, and those of its associated entities, in relation to the security that is registered against the Company and also the security the Company holds over subsidiary investment entities. The Estimated Statement of Affairs has been prepared based on the information available at Companies House and the limited legal documentation that the Additional Administrators have been provided thus far. The security position will be reviewed in full in due course.
- The Estimated Statement of Affairs makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is the Additional Administrators' account of receipts and payments from the their appointment on 4 January 2022 to 12 April 2022.

Also attached at Appendix 1 is the Former Administrator's account of receipts and payments from the commencement of administration on 18 November 2021 to 1 April 2022.

Receipts

Receipts Under a Fixed Charge

The Company's primary asset is a fixed charge over a property development at 11-13 Thames Street, Kingston Upon Thames, KT1 1PH ("Riverside"). Prior to the Additional Administrators' appointment, following the sale of one of the apartments at Riverside, the Company received funds under it's fixed charge in the sum of £359,366.58.

Cash at Bank

The sum of £5,467.99 has been received which represents the funds which were held in the Company's account with Revolut. Ltd, which were realised by the Additional Administrators.

Funds held in client account

The sum of £578,039.00 is held in a Begbies Traynor client account.

The Company's primary asset is a fixed charge over a property development at 11-13 Thames Street, Kingston Upon Thames, KT1 1PH ("Riverside"). The Additional Administrators have reason to believe that the security is held on trust the subsidiary company, Accumulate London SW Limited ("ALSW"). The Company advanced a loan of at least £1,996,223 to the SPV, London South West SW Limited ("LSWSWL") on 4 December 2019 and has the benefit of a legal charge over Riverside which was granted as security for the debt.

It is understood that a loan agreement dated 30 August 2019 was entered into between ALSW and LSWSWL pursuant to which the Company provided a facility of £2,866,206 to LSWL for the purpose of the development of the Riverside project.

The Additional Administrators are aware of a number of concerns raised by the Company's creditors, and those of its associated entities, in relation to the security arrangements between the Companies. The security position will be reviewed in full in due course and if necessary an application will be made to rectify the same

The sum of £578,039.00, which relates to proceeds from the sale of properties at Riverside, has been transferred to the Additional Administrators' client account by Squire Patton Boggs (UK) LLP ("SPB"). The funds will be held in a client account pending determination of the of the position with regard to the security in relation to the fixed charge over Riverside.

Solicitors Lien

SPB have exercised a lien in respect of their outstanding fees in the sum of £91,200.

Funds Held by WH Matthews & Co Solicitors ("WH Matthews")

WH Matthews & Co Solicitors ("WH Matthews") are holding £402,000 in their client account, £250,000 of which is pursuant an agreement entered into by the Former Administrator which is pending resolution. The further £152,000 relates to Help to Buy funds from the sale of a unit at the Riverside development. WH Matthews are holding the Help to Buy sum as a result of an undertaking to account to SPB in respect of all proceeds of sale at the Riverside development. The Additional Administrators and SPB are currently working to release WH Matthews from this undertaking.

Payments

There have been no payments made by the Additional Administrators since their appointment, payments made by the Former Administrators from the commencement of the administration are detailed below:

Specific Bond

The sum of £806.00 has been incurred and paid by the Former Administrator, which relates to their specific bond, which is a statutory requirements and is put in place to cover the proposed realisations into the case and protect the estate from misappropriation of funds

Bank charges

Bank charges in the sum of £25 have been paid from the Former Administrator's account.

Bookkeeping Services

The sum of £2,916.66 has been paid to the Company's former bookkeeper by the Former Administrator, in respect of the assistance with the provision of financial information in relation to the Company.

Repayment of Huddle SPV 4 Ltd ("Huddle")

The Former Administrator has informed the Additional Administrators that he has facilitated payment to Huddle SPV 4 Ltd ("Huddle") in the sum of £340,000.00, in satisfaction of their charges. As yet the Additional Administrators have not had chance to verify this and the charges against the Company in favour of Huddle remain unsatisfied at Companies House.

Ward Hadaway LLP were instructed by the Former Administrator to provide advice on the validity and amount of the Huddle security before the payment was made.

Work undertaken by the Former Administrator and his staff

The Former Administrator was asked to provide a detailed summary of the work undertaken from his appointment to the date of his removal on 3 March 2022. The summary of the work undertaken by the Former Administrator is provided at Appendix 3 together with a time costs analysis and details of the Costs incurred.

For the avoidance of doubt the Former Administrator is seeking payment of the fees and costs incurred to the date of his removal in full.

Work undertaken by the Additional Administrators and their staff

The Additional Administrators are now responsible for complying with the statutory requirements of administration as outlined in the Act and the Rules in addition to undertaking the statutory investigation into the failure of the Company and the conduct of its director. Following which, the Additional Administrators will review any potential antecedent transactions, together with the dealings and affairs of the Company, to determine whether any claims, actions or proceedings could and should be instigated against any third parties.

The Additional Administrators and the BT team have undertaken work in relation to the replacement of the Former Administrator with Joanne Hammond, this has involved the preparation of witness statements for the Court alongside correspondence with Freeth's LLP ("Freeths") to ensure they comply with the requirements and progress the application expeditiously.

In addition to this, the BT team have prepared documents for submission at Companies House in relation to the appointment of Ms Hammond, the removal of Mr Bennett and the change of registered office address.

The Additional Administrators and the BT team have reviewed the initial background information provided by the Former Administrator and a number of the Company's creditors. Further information has been requested from the Former Administrator and is awaited.

In addition, the Additional Administrators have begun making enquires with relevant parties, including the director who has provided his comments on the Company's failure and attended an interview with members of the BT team.

The Additional Administrators have also carried out an initial review of the Company's records and concerns received from creditors, this allowed the Additional Administrators and the BT team to complete the report on the director's conduct which was submitted to the Insolvency Service.

Following a review of the initial information, the following areas of concern have been highlighted. This is not an exhaustive list and is likely to expand in due course as and when further information is provided to the Additional Administrators:

- Funding from Huddle was obtained shortly prior to the Company entering into administration on 18 November 2021. The Additional Administrators will investigate the circumstances upon which the Company obtained funding from Huddle.

- Payments were made following receipt of the funds from Huddle which will need to be reviewed in line with the provisions of the Act.
- Payments made to connected parties from Company funds which will need to be reviewed in line with the provisions of the Act .
- Investigations are being carried out in relation to the funding and security arrangements that occurred across the Group, the priority over earlier charge holders given in respect of funding obtained at a later date, deeds of priority and other documentation provided to the Additional Administrators.
- The Additional Administrators will obtain and complete a thorough review of the Company's bank statements and accounting records and investigate any potential antecedent transactions which may have detrimentally affected the Company's financial position and if necessary, instigating legal proceedings against any party or parties who are considered culpable, to achieve a recovery for the estate.

The Additional Administrators have instructed Freeths to provide legal advice in connection with the investigatory work. Freeths are instructed to act solely for the Additional Administrators and did not provide any advice to the Former Administrator in connection with the Company or any of its associated entities. The Additional Administrators have provided Freeths with details of all known associates, third parties and individuals connected to the Company. Freeths have subsequently confirmed that, based on this current information, there is no known conflict of interest which would affect their ability to act independently on the Additional Administrator's behalf.

In conjunction with Freeths, the Additional Administrators have entered into protracted discussions with relevant parties regarding a number of agreements in relation to the Company. The Additional Administrators have liaised with Freeths, counsel and the creditors committee with regard to the same, these discussions are still ongoing.

Time has also been incurred reviewing and updating work produced by the Former Administrator and the O'Haras team to ensure compliance with the Act and the Rules. This includes but is not limited to the preparation of this Revised Proposal and the preparation of documentation to call a meeting of the creditors committee as it was neither were compliant with the Rules.

If any creditor wishes to bring specific information to the attention of the Additional Administrators, or has information or documentation in their position that would assist the Additional Administrator in carrying out his investigation, this can be submitted by email to Sheffield.North@btguk.com or by post to Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, Charter Row, Sheffield, S1 3FZ.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment are as follows:

Secured creditor

Huddle SPV 4 Limited ("Huddle") hold a fixed and floating charge debenture created on 26 October 2021 and delivered to Companies House on 28 October 2021, which has raised concerns amongst the Company's creditors given the proximity of the charges to the Former Administrator's appointment and that the loan facility was entered into after the director had begun seeking advice on the Company's insolvent position. Huddle also registered charges, pursuant to a cross guarantee arrangement, against all the Company's subsidiary entities.

As at the date of the Former Administrator's appointment, Huddle were owed the sum of £250,000. The Additional Administrators have been informed by the Former Administrator that payment in the sum of £340,000 was made to Huddle in satisfaction of their charges, as yet the Additional Administrators have not had the opportunity to verify that the Huddle charges have been satisfied and, at present, the charges remain unsatisfied at Companies House.

Preferential creditors

The Former Administrator has advised the Company had no employees and consequently no preferential claims are expected.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs ("HMRC") 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 Original Proposal indicated that there was no apparent secondary preferential claim. The Additional Administrators will make enquires with HMRC to verify that there is no claim.

Unsecured creditors

The estimated total unsecured creditor claims are in the region of £214,554.07. Claims received to date total £71,985.42.

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

Secured creditor

As detailed above the Additional Administrators have been informed by the Former Administrator that Huddle have been repaid in full, however, they have not had chance to confirm this at present and the charges against the Company remain unsatisfied at Companies House.

The Additional Administrators will seek legal advice regarding the validity of the Huddle Security and the repayment of the same by the Former Administrator.

Preferential creditors

As detailed above, it is not anticipated that any preferential claims will be received.

Secondary preferential creditors

Should it transpire that HMRC have a secondary preferential claim, a distribution to them will be dependent upon the level of realisations achieved.

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 £800,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ❑ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ❑ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

Based on the information provided to date, it appears that Huddle have been repaid in full from the proceeds of the sale of one of the apartments at Riverside, under Huddle's fixed charge security. Accordingly, should the Huddle charge be determined to be valid, to the best of the Additional Administrators' knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

As detailed above the Additional Administrators will take advice regarding the validity of the Huddle Security and the repayment of the same by the Former Administrator.

Unsecured creditors

Based upon realisations to date and estimated future realisations, the Additional Administrators are hopeful that a dividend to unsecured creditors will be available but this will be dependent upon the level of realisations and the determination of the Company's security.

The Company's primary asset is a fixed charge over a property development at 11-13 Thames Street, Kingston Upon Thames, KT1 1PH ("Riverside"). The Company advanced a loan of at least £1,996,223 to the SPV London South West SW Limited ("LSWL") on 4 December 2019 and has the benefit of a legal charge over Riverside which was granted as security for the Company Debt ("Company Charge").

It is understood that a loan agreement dated 30 August 2019 was entered into between the Company's subsidiary Accumulate London SW Limited (in administration) ("Accumulate SW"), and LSWL pursuant to which Accumulate SW provided a facility of £2,866,206 to SW for the purpose of the development of the long leasehold.

The Additional Administrators are aware of a number of concerns raised by the Company's creditors, and those of its associated entities, in relation to the security that is registered against the Company and also the security the Company holds over subsidiary investment companies. The security position will be reviewed in full in due course and if necessary an application will be made to rectify the same

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

The Former Administrator set out their proposals for achieving one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3. The Former Administrator's proposals, which were filed at Companies House on 21 December 2021, are somewhat ambiguously drafted regarding the purpose of the administration, the Former Administrator has confirmed under separate sections in the Proposals that:

4.3 Consequently, the objective of this administration is set out in paragraph 3(1)(b) of Schedule B1 of the Insolvency Act 1986; a better result for the Company's creditors as a whole than would be likely than if the Company was to be wound up.

4.4 I, as Administrator have concluded that the first and third prescribed objectives under Paragraphs (3)(1)(a) and (c) of Schedule B1 of the Act; rescuing the Company as a going concern and achieving a better result for creditors as a whole than if the Company was wound up are not achievable.

12.2 Consequently, I have performed my functions, and intend to continue to do so, in relation to the Company with the objective set out in Paragraph 3(1)(b); realising property in order to make a distribution to one or more secured or preferential creditors. In this instance, it will be to facilitate a sale of the Company's main asset.

The Additional Administrators are issuing these Revised Proposals to clarify the purpose of administration and to ensure the compliance with the Act and the Rules.

The Additional Administrators, whilst not involved at the onset of the administration, are now required to set out their revised 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, the Additional Administrators presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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). The Additional Administrators believe that this objective will be achieved by a sale of the remaining Riverside apartments, the Additional Administrators' investigations and a review of the Huddle security and funding and security arrangements that occurred across the Group.

The Additional Administrators do not believe it is reasonably practicable to achieve objective 3(1)(a) (Para 49(2)(b)) due to the level of the Company's insolvency and also due to the fact that the Company's subsidiary companies are also insolvent, as a result of this, the Company has no prospect of any future income and cannot be saved as a going concern.

Notwithstanding the above, should the Huddle charge be found to be valid, the objective as specified in sub-paragraph 3(1)(c) namely realising property in order to make a distribution to one of more secured or preferential creditors will also be achieved during the course of the administration as the Former Administrator has informed the Additional Administrators that he facilitated payment to Huddle.

Details of proposals

If approved by the Company's creditors, the Revised Proposal is intended to replace the Original Proposals in its entirety. Where (following approval of the Revised Proposal) there is a conflict between the Original Proposal and the Revised Proposal, the terms of the Revised Proposal will take precedence.

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

- Continue to monitor the realisation of the apartments at Riverside and monitor receipts under the fixed charge which may be held on trust for the Company. There are still three apartments to be sold in the Riverside development over which the fixed charge held on trust relates to. The parent company potentially acts as a security trustee for numerous creditors that lie within the Company and the quick entry into an insolvency process offered by administration stopped claims increasing or either the parent company or the Company itself being wound up, increasing the returns available to those creditors;
- Investigating any antecedent transactions which may have detrimentally affected the Company's financial position and, if necessary, instigating legal proceedings against any party or parties who are considered culpable, to achieve a recovery for the estate;
- Complete a full security review in conjunction with Freeths in relation to the Company's security position and, if necessary, an application will be made to rectify the same;
- Investigate the circumstances upon which the Group obtained further funding from Huddle; and
- Investigations will be carried out in relation to the funding and security arrangements that occurred across the Group, the priority over earlier charge holders given in respect of funding obtained at later dates and other documentation entered into by the Former Administrator.

As detailed above the Additional Administrators believe that the objective specified in sub-paragraph 3(1)(b) will be achieved during the administration. At the date of the Additional Administrators' appointment the Company was already in administration, the Additional Administrators believe that by keeping the Company in administration they can maximise the realisations to unsecured creditors and achieve the objective specified in sub-paragraph 3(1)(b).

In addition, the Additional Administrator will continue to undertake the required investigatory work with a view to determining whether there are any claims, actions or proceedings that could and should be issued against third parties with a view to enhancing the funds available within the administration estate.

This work is necessary to achieve the purpose of the administration and it is anticipated to result (either directly or indirectly) in a financial benefit to creditors. The purpose of this work is to maximise realisations from the Company's assets, leading to an increase in the net property of the administration estate.

The Additional Administrators' costs will be funded from the realisations in the administration. However, there will be certain items of additional work that are of no direct financial benefit to creditors but which they are required to carry out in accordance with statutory requirements under the Act, regulatory compliance and tax compliance and legislation. These include:

- Preparing these Revised Proposals to creditors for their approval;
- Maintaining their case files and carrying out regular compliance reviews of the case, together with progress reviews, in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed;
- Preparing a progress report from commencement up to the six-month anniversary of the administration to report on progress to creditors, together with details of the costs and expenses incurred during the period of account;

- Once the Additional Administrators are satisfied that all outstanding matters have been dealt with in the administration, they will issue their final report to creditors on the progress of the administration prior to moving the Company into creditors voluntary liquidation or dissolving the Company. Alternatively, if necessary, they may seek an extension of the administration and issue a further progress report to creditors; and
- Liaising with and complying with the statutory regulations in respect of the creditors committee.

Following these events, should funds permit, the Additional Administrators propose to finalise distributions to the creditors.

Exit from Administration

On present information the Additional Administrators consider that it is not yet possible to determine whether or not the Company will have sufficient property to enable a distribution to be made to unsecured creditors.

Should it transpire that the Company has sufficient property to enable a distribution to be made to unsecured creditors, we propose to deliver a notice of moving from administration to creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrators.

The Additional Administrators confirm that as part of their proposals, they propose that they, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification of our Proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

However, the Additional Administrators' reserve the right to make the necessary application to Court for consent to distribute to the Company's unsecured creditors from administration, rather than placing the Company into liquidation, if they deem this more appropriate. Should this be the case, 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.

In the event that there are insufficient realisations available to enable a distribution to unsecured creditors, as soon as they are satisfied that they have fully discharged their duties as administrators and that the purpose of the administration has been fully achieved, the Additional Administrators propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice their 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 their appointment. In particular, this situation will arise if they are not able to conclude the realisation of the debtor ledger and the claim against the connected entity. 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, their 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 the Additional Administrators to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of their appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

The Former Administrator was asked to provide a summary of the work undertaken prior to his appointment. The summary of the work undertaken by the Former Administrator is provided at Appendix 3 together with a time costs analysis and details of the costs incurred pre appointment.

The Work was carried out pursuant to an agreement made between the Former Administrator and the director entered into on 25 October 2021 ("the Agreement"). The Agreement provides for the payment of the Former Administrator's fees and the discharge of expenses incurred by them (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Former Administrator has advised that, the Work was carried out before the Company entered administration to enable the Former Administrator to understand the group companies' relationships; the asset and security position within the SPVs and within the group; including their overall interrelationship. For these reasons the Former Administrator considers that the Work has furthered the achievement of the objective of administration being pursued, namely 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).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
The Former Administrator's fees in relation to the Work	O'Haras Limited	17,015.00	3,403.00	20,418.00
Legal costs	Gunner Cooke	2,000.00	400.00	2,400.00
Legal Disbursement	Gunner Cooke	50.00	-	50.00
TOTAL PRE-ADMINISTRATION COSTS		19,065.00	3,803.00	22,868.00

The pre-administration costs are unpaid, and the Former Administrator is seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee. Payment of the unpaid pre-administration costs requires separate approval and is not part of the Additional Administrators' proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a document detailing the work carried out, the associated costs and the proposed

remuneration is provided together with a pre-administration Time Costs Summary 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.

Gunner Cooke LLP ("Gunner Cooke")

The Former Administrator has advised that, Gunner Cooke were chosen to advise on the legal matters and advice relating to the appointment. Gunner Cooke were instructed due to their extensive experience in dealing with insolvency matters. They have incurred £2,000.00 plus VAT.

A brief summary of the pre-appointment work undertaken by Gunner Cooke is provided below:

- Reviewing Company information in relation to the proposed appointment;
- Liaising with the Former Administrator ahead of the appointment and discussing the appointment process and steps to be taken; and
- Drafting a notice of appointment of administrator ("NOA"), the draft resolutions and the necessary ancillary documents required to appoint the Former Administrator.

10. REMUNERATION AND EXPENSES

Remuneration

Begbies Traynor (SY) LLP

The Additional Administrators have not at this time drawn any funds on account of their remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what they believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

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

Appendix 3 sets out the Additional Administrators' firm's hourly charge out rates, the Additional Administrators' fees estimate and the time that they and their staff have spent in attending to matters arising in the administration since 4 January 2022, the date of Kris Wigfield's appointment. The Additional Administrators are proposing an effective reduction in their fees by completing the work required within the administration at regional charge out rates instead of the London charge out rates normally used for work in the greater London area. This has provided creditors with an approximate discount of 20%.

Please note that the attached fee estimate relates to the period of the administration only. Should the Company proceed into liquidation a separate fee estimate for the period of the liquidation will be issued by any subsequently appointed liquidator.

It is for the creditors' committee to approve the basis of the administrators' remuneration under Rule 18.18 of the Rules.

O'Haras Limited

The Former Administrator has not at this time drawn any funds on account of their remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides

that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out.

Appendix 3 also sets out the Former Administrator's firm's hourly charge out rates, and the time that they and their staff have spent in attending to matters arising in the administration. The Former Administrator is seeking payment of the time they have incurred during the course of the administration in full.

The Former Administrators propose that the basis of their remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of O'Haras Limited for attending to matters as per their time summary at Appendix 3.

It is for the creditors' committee to approve the basis of the administrators' remuneration under Rule 18.18 of the Rules.

Expenses of the Additional Administrators

The Additional Administrators propose that expenses for services provided by their firm and/or entities within the Begbies Traynor Group, be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These expenses will be identified by the Additional Administrators and will be payable subject to the approval of the creditors' committee.

Estimate of expenses

The Additional Administrator is required by the Rules to provide creditors with details of the expenses that they 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

The work undertaken by the Additional Administrators has required extensive legal advice, this work is detailed in Section 6 of this report and below.

Significant fees incurred to date comprise of:

Freeths

Freeths have been instructed by the Additional Administrators to provide advice on all aspects of the administration. Freeths have agreed to charge their time at our lower rates. Accordingly, the Fees consist of Freeth's time costs recorded at lower contingent rates. The majority of fees have been recorded against the file for the Company (as the parent company for the Companies). As creditors will appreciate, this is because the majority of the work that Freeths have carried out has been in relation to the group of Companies as a whole or, if not, more than one of the Companies including the Company.

Freeths current fees in relation to the Company are £46,500.00 plus disbursements of £3,548.46 which relates to expenses incurred instructing Counsel in relation to agreements entered into by the Former Administrator and a split of the Court Fee in relation to the block transfer application to replace Jeremy Bennet with Joanne Hammond.

Freeths current fees across the matters for the group of Companies are in the sum of approximately £84,200 plus VAT and disbursements. Freeths fees at their usual hourly rates in this matter would be in the sum of approximately £95,060.50 plus VAT. Accordingly, Freeths' proposed rates for this work represent an approximate discount of just over 15%. The reduced level of remuneration for Freeths has only been possible due to their excellent relationship with Begbies.

Below is a non-exhaustive summary of the work that Freeths have carried out in relation to the Company to date:

- Advising in relation to Kris Wigfield's appointment as the Additional Administrator of the Companies and certain steps that had been taken by the Former Administrator;
- Advising in relation to the proposals that had been issued by the Former Administrator's firm;
- Advising in relation to the appropriate process of removing the Former Administrator and appointing a replacement Joint Administrator;
- Preparing the appropriate application and ancillary documents to remove the Former Administrator and appoint Joanne Hammond as replacement Joint Administrator of the Companies (the "Application");
- Instructing counsel in relation to the Application; and
- Liaising with the Former Administrator, his firm and the Court in relation to the Application.

The work carried out by Freeths in relation to the position in relation to London South West SW Limited ("LSWSWL") and Store House Limited, comprises of:

- Discussions with the Additional Administrators in relation to the position relating to LSWSWL in light of the threat of insolvency of the LSWSWL and the impact that would have on realisations from the sale of properties at the LSWSWL's Riverside development;
- Liaising with the solicitors for the builder at the LSWSWL properties in light of the threat of the builder issuing insolvency proceedings against LSWSWL;
- Preparing a proposal for the funding of certain costs to be met by the LSWSWL and certain security to be granted by LSWSWL;

The work carried out by Freeths in relation to the Company's security documents relating to the Company's security over the Kingston Property, comprises of:

- Reviewing the loan agreements and security documents relating to the Company's security over the Riverside; and
- Preparing a security review email on the validity of the security and any notable issues pertaining to the same.

Work carried out by Freeths in terms of general advice provided to the Company is as follows:

- Attending a meeting at the Former Administrators' offices in order to deal with the handover of information relating to the Companies;
- Advising in relation to the treatment of secured creditors by the Former Administrator and the Payment of interest to certain secured creditors;
- Advising in relation to sharing confidential information relating to the Companies including the preparation of a non-disclosure agreement in relation to certain information to be shared with the creditor committees for the Companies;
- Attending a number of calls and meetings with the Additional Administrators in relation to matters in the administrations of the Companies;
- Reviewing and identifying what monies were being held by third parties to be remitted to the Companies;
- Liaising with Squire Paton Boggs, Gunner Cooke and WH Matthews in relation to certain monies held and to be remitted to the Companies; and
- Advising the Additional Administrators in relation to certain professional fees incurred by the Former Administrator of the Companies.

James Morgan QC ("JM")

JM from Radcliffe Chambers has been instructed to review the validity of the Agreements entered into by the Former Administrator. JM's current fees across the matters for the Companies are in the sum of £10,000.00 plus VAT which at present have been paid by directly by Begbies Traynor as a disbursement.

Squire Paton Boggs (UK) LLP ("SPB")

SPB were instructed by the Former Administrator but was briefly retained by the Additional Administrators to facilitate an orderly handover of all matters pertaining to the sale of the Riverside and Cheyne developments. It is estimated that £8,934.00 of the total detailed below relates to this work.

Expenses incurred by the Former Administrator

The work undertaken by the Former Administrator has required extensive legal advice, this work is detailed in Appendix 3 of this report which details the work undertaken by the Former Administrator.

Significant fees incurred by the Former Administrators to date comprise of:

Squire Paton Boggs (UK) LLP ("SPB")

SPB were instructed by the Former Administrator to provide advice on all aspects of the administration. SPB's current fees in relation to the Company are £75,919.50 plus VAT. The work undertaken by SQB comprises of:

- General matter progression and support, including input on general strategy;
- Dealing with properties (including Riverside, Cheyne Walk and the leases);
- Advising on Former Administrator's proposals;
- Dealing with proposed LPA appointment and strategy for removal if necessary;
- Dealing with the appointment of Kris Wigfield, as additional administrator;
- Liaising with Huddle in relation to consents;
- Advising on investigatory work, including the issues with the Accumulate Capital loan, Store House, Jamie Chapman, the landlord and the builder at Riverside;
- Dealing with / advising on creditors' committee issues;
- Dealing with Jeremy Bennett's resignation and replacement;
- Advising on investigatory work, including the issues with the Accumulate Capital loan, Store House and Jamie Chapman;
- Dealing with / advising on creditors' committee issues; and
- Dealing with Jeremy Bennett's resignation and replacement

SQB have exercised a solicitors' lien in respect of their outstanding fees plus VAT in the sum of £91,200.

Gunner Cooke

Gunner Cooke were instructed by the Former Administrator to provide advice on all aspects of the administration. Gunner Cooke's current fees in relation to the Company are £36,200.00 plus VAT which includes pre appointment time detailed above in the sum of £2,000.00 plus VAT. The work undertaken by Gunner Cooke comprises of general matter progression and advice regarding the administration in particular in relation to the Agreements entered into by the Former Administrator and sale of the properties.

Ward Hadaway LLP ("WH")

WH were instructed by the Former Administrator to provide advice in relation to the Huddle loan, their costs in relation to the advice are £5,971.50 plus VAT and £9 disbursements.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

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

As administrator of the Company, they 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 his attention any potential recoveries for the estate. If any creditor would like to bring any such issues to the Additional Administrator's attention please do so by either email to Sheffield.North@btguk.com or post at 3rd Floor, Westfield House, Charter Row, Sheffield, S1 3FZ.

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

Details of the investigatory work undertaken by the Additional Administrator to date can be found at Section 6 above.

Connected party transactions

The Additional Administrators are reviewing purported connected party transactions but do not have full details at this stage, the aforementioned transactions will be disclosed in due course.

However, the Additional Administrators are aware of an Option to purchase Flat 24 (Plot 4.02) 11-13 Thames Street, KT1 1PH which is a property subject to the Company's security over Riverside. Whilst the individual is not a connected party in relation to the Company, the Additional Administrators are aware that there is a potential connection to the appointed developer, Store House, and its director, Jamie Chapman. Advice has been sought from Freeths regarding the validity of the same.

Deemed delivery

These proposals will be deemed to have been delivered on 19 April 2022.

Use of personal information

Please note that in the course of discharging their statutory duties as Joint Administrators, the Additional Administrators 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.

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 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 any 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 the Administrators' remuneration is inappropriate.


12. CONCLUSION

The Additional Administrators consider that the Company may have sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and they are therefore required to seek a decision from the Company's creditors as to whether they approve their proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of the Joint Administrators' proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve their proposals.

It is for the creditors' committee to approve the ancillary resolutions which include the basis of the Joint Administrators' remuneration and disbursements.

Subject to the approval of the Additional Administrators proposals they 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: 13 March 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

**4 January 2022 to 12 April 2022
(Additional Administrators)**

Accumulate Capital Limited
(In Administration)
Joint Administrator's Summary of Receipts & Payments
To 12/04/2022

S of A £		£	£
	SECURED ASSETS		
Uncertain	Charge over Riverside development	NIL	
	Cash at bank	5,467.99	5,467.99
	SECURED CREDITORS		
(250,000.00)	Huddle SPV4 Ltd	NIL	NIL
	ASSET REALISATIONS		
Uncertain	Inter-Company Debtors (ANOL/ALSW/	NIL	
5,467.99	Cash at Bank	NIL	NIL
	UNSECURED CREDITORS		
(6,842.00)	Trade Creditors (Count=2)	NIL	
(50,000.00)	Director	NIL	
(50,000.00)	Starling Bank	NIL	
(107,711.00)	Inter-Company Creditors (AREL/ACOL	NIL	
Uncertain	Investors (LSWL)	NIL	NIL
	DISTRIBUTIONS		
(300.00)	Ordinary Shareholders	NIL	NIL
(459,385.01)			5,467.99
	REPRESENTED BY		
	Barclays FL Current Account NIB		5,467.99
			5,467.99

Note:

ACCOUNT OF RECEIPTS AND PAYMENTS

**18 November 2021 to 1 April 2022
(Former Administrator)**

**Accumulate Capital Limited
(In Administration)
Administrators' Summary of Receipts and Payments
To 01 April 2022**

RECEIPTS	Statement of Affairs (ALL)	Total (ALL)
Interest in Accumulate Properties	Uncertain	0.00
Inter-Company Debtors	Uncertain	0.00
Property		359,366.58
Specific Bond		32.00
Investors	Uncertain	0.00
		<hr/>
		359,398.58

PAYMENTS

Chargeholder (1)		340,000.00
Specific Bond		806.00
Bookkeeping Services		2,916.66
Bank Charges		25.00
Huddle SPV4 Ltd	(250,000.00)	0.00
Trade & Expense Creditors	(6,842.00)	0.00
Starling Bank	(50,000.00)	0.00
Inter-Company Creditors	(107,711.00)	0.00
Ordinary Shareholders	(300.00)	0.00
		<hr/>
		343,747.66
		<hr/>
Net Receipts/(Payments)		15,650.92

MADE UP AS FOLLOWS

Bank 1 Current	15,650.92
	<hr/>
	15,650.92

Administrator

**ESTIMATED STATEMENT OF AFFAIRS AS AT 18
NOVEMBER 2021**

Insolvency Act 1986

Accumulate Capital Limited
Company Registered Number: 11954225

Estimated Statement Of Affairs as at 18 November 2021

	Book Value £	Estimated to Realise £	£
ASSETS			
Charge over Riverside development	1,800,000.00	Uncertain	
Huddle SPV4 Ltd		(250,000.00)	
Deficiency c/d		(250,000.00)	
Inter-Company Debtors (ANOL/ALSW/ANEL)	98,663.00		Uncertain
Cash at Bank	5,467.99		5,467.99
			5,467.99
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			<u>NIL</u>
			5,467.99
2nd PREFERENTIAL CREDITORS:-			
			<u>NIL</u>
			5,467.99
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			5,467.99
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			5,467.99
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
Deficiency b/d		250,000.00	
			<u>250,000.00</u>
			<u>(244,532.01)</u>
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors (Count=2)		6,842.00	
Director		50,000.00	
Starling Bank		50,000.00	
Inter-Company Creditors (AREL/ACOL)		107,711.00	
Investors (LSWL)		Uncertain	
			<u>214,553.00</u>
Estimated deficiency/surplus as regards non-preferential creditors			
(excluding any shortfall in respect of F.C's post 14 September 2003)			
			(214,553.00)
Shortfall in respect of F.C's post 14 September 2003 (brought down)			
			<u>244,532.01</u>
			(459,085.01)
Issued and called up capital			

Insolvency Act 1986

Accumulate Capital Limited
Company Registered Number: 11954225

Estimated Statement Of Affairs as at 18 November 2021

	Book Value £	Estimated to Realise £	£
Ordinary Shareholders		300.00	300.00
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(459,385.01)</u></u>

ADDITIONAL ADMINISTRATORS' STATEMENT OF AFFAIRS

Notes to the Additional Administrators' Statement of Affairs.

1. The Company's primary asset is a fixed charge over a property development at 11-13 Thames Street, Kingston Upon Thames, KT1 1PH ("Riverside"). The Company advanced a loan of at least £1,996,223 to the SPV London South West SW Limited ("LSWSWL") on 4 December 2019 and has the benefit of a legal charge in the sum of £1,800,000 over Riverside which was granted as security for the Company Debt ("Company Charge"). It is also understood that a loan agreement dated 30 August 2019 was entered into between the Company's subsidiary Accumulate London SW Limited (in administration) ("Accumulate SW"), and LSWSWL pursuant to which Accumulate SW provided a facility of £2,866,206 to SW for the purpose of the development of the long leasehold.
2. The Additional Administrators are aware of a number of concerns raised by the Company's creditors, and those of its associated entities, in relation to the security that is registered against the Company and also the security the Company holds over subsidiary investment companies. The Estimated Statement of Affairs has been prepared based on the information available at Companies House and the limited legal documentation that have been provided thus far. The security position will be reviewed in full in due course and if necessary an application will be made to rectify the same, as such the estimated to realise figure in respect of the Company Charge has been recorded as uncertain for the purpose of the Statement of Affairs.
3. Huddle SPV 4 Limited ("Huddle") hold a fixed and floating charge debenture created on 26 October 2021 and delivered to Companies House on 28 October 2021. Huddle also registered charges, pursuant to a cross guarantee arrangement, against all the Company's subsidiary companies.
4. The intercompany debtor figures, relate to sums due to the Company from its subsidiary Companies, Accumulate Nominees Limited, Accumulate London South West Limited and Accumulate NE Limited of £9,405.67, £87,659.40 and £1,597.83 respectively.
5. The cash at bank figure relates to the sum of £5,467.99 held in the Company's account with Revolut. Ltd.
6. 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 either £600,000 or £800,000).

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.
7. The intercompany creditor figures relate to sums due from the Company to Accumulate Residences Limited and Accumulate Commercial Limited of £68,664.39 and £39,047.28 respectively.
 8. The investor creditors have been recorded as uncertain for the purpose of the Estimated Statement of Affairs. It is apparent that investor money has been paid to the Company and then advanced to LSWSWL in relation to Riverside on behalf of Accumulate SW. The Additional Administrators will seek legal advice

to provide clarity regarding where the investor creditors sit within the group of companies, alongside the advice to be taken regarding the security position.

9. The Company obtained a Bounce Back Loan ("BBL") from Starling Bank in the sum of £50,000.00, which was drawn down on 25 August 2020 and repayments were due to start on 25 March 2022. The circumstances pertaining to the draw down and utilisation of the BBL will be reviewed by the Additional Administrators.
10. The Company is subject to cross guarantees in respect of amounts advanced to subsidiary undertakings. It is not expected that the guarantees will be called upon.
11. 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.
12. 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 12 April 2022 on this assignment by the Additional Administrators and BT staff amounts to 221.10 hours at an average composite rate of £382.11 per hour resulting in total time costs to 12 April of £84,483.50

The total time spend by O'Haras Limited during their period of appointment from 18 November 2021 to 3 March 2022 amounts to 277.90 hours at an average composite rate of £447.09 per hour resulting in total time costs of £124,245.00.

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

Begbies Traynor (SY) LLP

- ☐ Begbies Traynor (SY) LLP's charging policy
- ☐ Begbies Traynor (SY) LLP summary of work to be undertaken, payments and expenses
- ☐ Table of time spent and charge-out value
- ☐ The Additional Administrators' fees estimate. Details of how the Administrators are proposing to be remunerated. Details of the work that the Administrators consider that they will need to undertake to administer the administration.
- ☐ Details of the expenses that the Additional Administrators consider will be, or are likely to be, incurred.

O'Haras Limited

- ☐ O'Haras Limited's charging policy
- ☐ O'Haras Limited's Pre-administration work, costs and proposed remuneration with Pre-Administration Time Costs Analysis is attached.
- ☐ O'Haras Limited's summary of work undertaken since the Original Proposals.
- ☐ Table of time spent and charge-out value
- ☐ Details of the expenses incurred by O'Haras Limited.

All documentation pertaining to O'Haras Limited's remuneration and expenses was provided by O'Haras Limited staff.

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' 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 (SY) LLP

- ❑ Begbies Traynor (SY) LLP's charging policy
- ❑ Begbies Traynor (SY) LLP summary of work to be undertaken, payments and expenses.
- ❑ Table of time spent and charge-out value
- ❑ The Additional Administrators' fees estimate. Details of how the Administrators are proposing to be remunerated. Details of the work that the Administrators consider that they will need to undertake to administer the administration.
- ❑ Details of the expenses that the Additional Administrators consider will be, or are likely to be, incurred.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 expenses (approval not required)* - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

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

General Office Overheads.

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 expense*:

- ☐ 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 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Prior to 31 December 2021, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Cashier	140
Secretarial	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.

As detailed above, time is recorded in 6 minute units.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Accumulate Capital Limited

**SUMMARY OF WORK TO BE UNDERTAKEN BY THE ADDITIONAL ADMINISTRATORS,
PAYMENTS AND EXPENSES**

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of the Additional Administrators' fees and the payment of certain expenses to make an informed judgement about the reasonableness of our request for approval of the same.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors the Additional Administrators have used the headings from their Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the administration.

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 the Additional Administrators have explained the specific work that has been and will be 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 and will be done, why it is necessary and what financial benefit (if any) the work has provided and will provide to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

The details below relate to the costs of the work undertaken since the Additional Administrators' appointment.

General case administration and planning

The Additional Administrators have arranged for the Company's statutory information that is within their possession to be reviewed and updated onto their systems to enable the relevant statutory documentation to be issued. In addition, the statutory checklists have been completed to ensure that the necessary paperwork following their appointment has been issued where relevant.

A case specific diary template has been added to their system, which assists them in keeping all statutory matters up to date.

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

The Additional Administrators formulated an appropriate strategy and monitored and reviewed that strategy to ensure that the case is administered and progressed efficiently.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the Additional Administrators and their staff 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. The Additional Administrators

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. The Additional Administrators are also required to notify various bodies of their appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

The Additional Administrators are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

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

- 1) Dealt with the post appointment statutory formalities in respect of the Additional Administrators' appointment including statutory advertising and notifying varying parties of their appointment;
- 2) Incurred further time liaising with Freeths LLP in relation to their appointments and the removal of the Former Administrator;
- 3) Prepared the accompanying revised proposals for circulation to creditors, together with other written resolutions by correspondence, for approval;
- 4) Dealt with other sundry regulatory compliance matters;
- 5) Notified creditors of their appointment;
- 6) Notified Companies House of their appointment and updated the registered office address;
- 7) The Additional Administrators also took advice from Freeths in relation to the proposals issues by the Former Administrator;
- 8) Obtained a statutory bond to cover the proposed realisations into the case for the benefit of the creditors;
- 9) Carried out bond reviews in order to ensure that the Additional Administrators are bonded correctly upon emergence of additional information in relation to the value of assets that could be realised; and
- 10) In addition, the Additional Administrators have arranged for a case bank account to be opened in order that incoming and outgoing transactions can be posted onto the system and carried out accordingly.

Whilst these items of work are not of a direct financial benefit to creditors, they are either a statutory or regulatory requirement that they must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the administration. Moreover, it presents the administrators' Proposals to creditors for their agreement or otherwise. The Proposals are also accompanied by certain resolutions as regards remuneration and expenses which must be presented to the creditors committee for their approval.

Investigations

The Additional Administrators were required to submit an online conduct report in accordance with the Company Directors Disqualification Act within 3 months of the Former Administrators' appointment. In order to fulfil this duty, the Additional Administrators have recovered both the bank statements and electronic records to allow them 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 the Additional Administrators' investigations.

The Additional Administrators have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available to realise, 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.

Throughout the early stages of the administration process the Additional Administrators have received correspondence from many creditors highlighting their concerns, the Additional Administrators and the Begbies Traynor team are investigating the concerns raised by the creditors amongst other concerns that have arisen from analysis of the Company's bank statements and electronic records.

Investigations have been commenced in relation to the funding and security arrangements that occurred across the Group, the priority over earlier charge holders given in respect of funding obtained at a later date and agreements entered into by the Former Administrator. The Additional Administrators have liaised with Freeths and the creditors committee in this regard.

As referred to in the accompanying proposals further funding from Huddle was obtained shortly prior to the Company entering into administration on 18 November 2021. The Additional Administrator are in the process of investigating the circumstances upon which the Company obtained further funding from Huddle and essentially put Huddle ahead of the other creditors in terms of the repayment of their indebtedness.

Additionally, payments were made following receipt of the funds from Huddle which will need to be reviewed in line with the provisions of the Act. The Additional Administrators have discussed the circumstances pertaining to the receipt of the Huddle funds and the subsequent payments with the director and initial correspondence has been sent to the recipients of the payments to clarify the basis of the payments.

The Company obtained a Bounce Back Loan ("BBL") from Starling Bank in the sum of £50,000.00, which was drawn down on 25 August 2020 and repayments were due to start on 25 March 2022. The circumstances pertaining to the draw down and utilisation of the BBL will be reviewed by the Additional Administrators.

In Conjunction with Freeths, the Additional Administrators have entered into protracted discussions with relevant parties regarding a number of agreements in relation to the Company, the Additional Administrators have liaised with Freeths, counsel and the creditors committee with regard to the same, these discussions are still ongoing.

The Additional Administrators will provide a more detailed explanation of the work being undertaken in this regard in due time. As the investigations are ongoing, it would be prejudicial to the investigations for the Additional Administrators to comment in any further detail at this stage. If any creditor wishes to discuss the investigations carried out by the Additional Administrators to date, they are invited to contact the Additional Administrators office and provide their contact details using the following email address Sheffield.north@btguk.com, following which a member of the case team will call the creditor to discuss.

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 the Additional Administrators may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. The Additional Administrators may also need to instruct solicitors to complete sales. We 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.

The Additional Administrators have written to the banks with which the Company held accounts and requested that the funds be remitted to the Additional Administrators account, so far the sum of £5,467.99 has been received, any further receipts are uncertain.

As the Company's only asset is a fixed charge over a property development at 11-13 Thames Street, Kingston Upon Thames, KT1 1PH ("Riverside") which is owned by an SPV, London South West SW Limited ("LSWL"), the Additional Administrators have been working alongside the LSWL and multiple firms of solicitors in order to achieve the best return possible pursuant to the Company's fixed charge. The Additional Administrators believe this work and assistance offered by them will result in a significantly higher return to the Company's creditors by maximising the value of each unit sold in the development.

The Additional Administrators have been monitoring the realisation of the apartments at Riverside and monitor receipts under the Company's fixed charge over the same. There are still three apartments to be sold in the Riverside development over which the Company holds a fixed charge.

The Additional Administrators believe this work will provide a financial benefit to creditors in the very near future as sales are close to being finalised on 2 units.

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.

In this case we have fixed charge creditors, floating charge creditors and unsecured creditors. The Former Administrator has informed the Additional Administrators that he has facilitated the payment of Huddle SPV 4 Ltd ("Huddle") under their fixed and floating charge. At present the Additional Administrators have not had chance to confirm this as at the date of this proposal the charges still remain outstanding at Companies House. The Additional Administrators will take steps to confirm the satisfaction of these charges in due course.

Time has been spent reviewing the received Creditor Proof of Debt forms and updating the Additional Administrators IPS system.

The Original Proposal details unsecured claims as being in the sum of £164,533 following a review of the Company's records the Additional Administrators understand that the estimated claims are circa £214,554 and that claims received to date total £71,985.42, the Additional Administrators have incurred time dealing with creditors' claims and anticipate further work will need to be done in this area.

Time will be spent dealing with all creditor queries as and when required.

This work does not provide a financial benefit for creditors, however, it forms part of the Additional Administrators statutory duties under the Insolvency Act and Rules.

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 their remuneration and whether a creditors committee is formed.

The Additional Administrators 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.

The Additional Administrators 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.

The Additional Administrators have incurred time corresponding with the Creditors Committee and the wider body of creditors as a whole, the Additional Administrators will continue to do so in line with their duties and intend to put this Revised Proposal to the committee for approval of their remuneration.

The Joint Administrators have incurred time travelling to the Former Administrators' premises to discuss the case and facilitate a formal handover of the administration.

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 the Additional Administrators 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.

Pre Administration costs

Details of the resolution in regard to the Former Administrator's pre-administration costs are detailed in the main body of the proposals at section 9.

Expenses

Details of all of the expenses incurred in the period of this report and also since the date of the Joint Administrators' appointment are attached at appendix 3.

Category 2 Expenses

No Category 2 expenses have been charged to the case since the date of the Joint Administrators' appointment.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

Why have subcontractors been used?

Freeths were chosen to advise assist with the appointment of the Additional Administrators and advise on the legal matters and advice relating to the appointment. Freeths were instructed due to their extensive experience in dealing with insolvency matters.

Pantera Property, RICS Registered Agents, were instructed by the Former Administrators and have continued to be utilised by the Additional Administrators to provide comments regarding the valuation and disposal regarding the remaining Flats at Riverside.

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

The Additional Administrators will continue to ensure that their files are maintained and will carry out regular compliance reviews of the case in order to ensure that matters are being progressed in an efficient and timely manner. As mentioned above, whilst the above work is not of a direct financial benefit to creditors, they are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

The Additional Administrators will continue to complete works required to maintain the administration including periodically reviewing the case to ascertain which works remain outstanding and progressing the case to ensure all statutory requirements have been completed during the course of the administration and, in readiness for closure as and when applicable.

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. Also time will be spent updating the electronic diary facility.

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.

As detailed above, this work does not benefit creditors financially, however, it is necessary to ensure the efficient and compliant progression of the administration and that the Additional Administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Additional Administrators are required to produce a progress report 6 months from the date the Company entered into administration and on the 1 year anniversary of the administration pursuant to the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016. This forms part of the Additional Administrators' statutory duty as administrators of the Company to correspond with creditors of the Company.

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

The Additional Administrators will continue to liaise with the creditors committee and hold regular meeting to update the committee regarding pertinent development in relation to the investigation and realisation of assets.

Periodic bond reviews will also be carried out to ensure the case remains adequately bonded and remains so throughout the course of the administration.

This work does not provide a financial benefit for creditors, however, it is necessary to ensure the Additional Administrators comply with their duties under the Insolvency Act and Rules and best practice in the insolvency profession.

Investigations

As detailed above, a number of creditors have approached the Additional Administrators to outline their concerns, the Additional Administrators are investigating these concerns amongst others that analysis of the Company's books and records have highlighted. The Additional Administrators intend to pursue any potential claims to provide an avenue for recovery of funds for the Company's creditors.

At this time, the Additional Administrators believe they have identified a number of potential claims and are continuing to progress investigations in relation to the same, however, the any potential litigation in relation to these claims has been left in abeyance until the realisation of all assets is complete to maximise the return on that front as a priority.

As part of the investigation the Additional Administrators will investigate the circumstances upon which the Company obtained further funding from Huddle and essentially put Huddle ahead of the other creditors in terms of the repayment of their indebtedness.

Investigations will also be carried out in relation to the funding and security arrangements that occurred across the Group, the priority over earlier charge holders given in respect of funding obtained at a later date and agreements entered into by the Former Administrator.

As detailed above the Company obtained a BBL from Starling Bank in the sum of £50,000.00, which was drawn down on 25 August 2020 and repayments were due to start on 25 March 2022. The circumstances pertaining to the draw down and utilisation of the BBL will be reviewed by the Joint Administrators.

In order that the above work can be carried out, the Additional Administrators will carry out a thorough review of the Company's books and records together with a review of the Company's bank statements and SAGE records to identify any unusual payments that may have occurred during the period prior to the Joint Administrators' appointment. In addition, the Additional Administrators will continue review any concerns received from creditors with regard to the directors' conduct and will continue to liaise with the creditors committee regarding the areas of concern identified to date.

In conjunction with Freeths, the Additional Administrators will continue to progress the protracted discussions with the relevant parties regarding payment potentially due under the terms of agreements entered into by the Former Administrator, the Additional Administrators will continue to liaise with Freeths and the creditors committee with regard to the same.

The Additional Administrators believe commenting further on any investigations may be prejudicial due to their ongoing nature and will provide an update when they feel that this risk has subsided.

The Additional Administrators believe that, in time, this work will provide a financial benefit to creditors by pursuing claims against a number of parties.

Realisation of assets

As detailed above the Company's only asset is a fixed charge over the Riverside property development. 3 units within the Riverside development remain to be sold and at present and the Additional Administrators are currently working alongside a number of parties to maximise the value of these properties and increase the level of funds that will flow into the administration estate.

Discussions have been entered into and are continuing to be progressed regarding various snagging works need to be carried out at the development and working alongside the SPV's solicitors who are carrying out the conveyancing work in relation to the development.

Work will be carried out to in conjunction with Freeths to review the validity of an option agreement relating to one of the apartments at Riverside.

The Additional Administrators foresee this providing a financial benefit to the Company's creditors by maximising the level of funds received by the Company under its fixed charge over the Riverside development.

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

The Additional Administrators will continue to deal with creditors claims as and when the need arises. This work also ensures compliance with the Insolvency Rules as creditors claims must be adjudicated before a distribution can be made. If a distribution is to be made to creditors this is work that will be undertaken as and when it becomes necessary.

Correspondence with the creditors will take place through the Administrators' Progress Report which the Additional Administrators will be required to produce when their appointment reaches 6 months and 1 year, these reports form part of the Additional Administrators statutory duty to correspond with the Company's creditors. Alongside this the Additional Administrators will continue to work closely with the creditors committee and action concerns they raise throughout the process.

This work does not provide a financial benefit for creditors, however, as stated above, it forms part of the Additional Administrators statutory duties under the Insolvency Act and Rules.

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

The Additional Administrators anticipate time being incurred in relation to the applicable VAT and Tax returns that need to be completed in order to reclaim monies for the estate or to pay any taxes due to HMRC.

The Additional Administrators will also review the viability of a Terminal Loss Relief claims and take the appropriate steps following the review.

The incurrence of time seeking decisions from the creditors committee is also unavoidable, this is required of the Additional Administrators and ensure that they are acting in the creditors best interests.

Whilst this work provides no obvious financial benefit to the creditors, all work to be carried out in this area is necessary for the progression of the case and to ensure that creditors are well informed about the administration to allow them to make the requisite decisions. This work may provide some financial benefit to the creditors if there are monies due to be reclaimed from HMRC, however, this is not something the Additional Administrators have had chance to confirm yet.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that the Additional Administrators may complete the administration as envisaged. The cost of completing this work will not exceed any amounts that we are seeking approval for at this point.

As you will see from the attached fees estimate, the Additional Administrators anticipate that their total post-appointment costs in this matter will be in the region of £195,790.00. To date time costs of £84,483.50 have been incurred. Further fees of £111,306.50 are therefore estimated to be incurred.

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.

What is the anticipated payment for administering the case in full?

The Additional Administrators estimate that the cost of administering the case will be in the region of £195,790.00, and consequently the Additional Administrators are seeking approval to draw their remuneration up to that level. However, as you are aware, the remuneration that the Additional Administrators can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets).

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

SIP9 Accumulate Capital Limited – Administration – 91AC251.ADM : Time Costs Analysis From 04/01/2022 To 12/04/2022

Staff Grade	Consultant/Partner	Director	Sr. Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	0.3							5.2		11.5	4,239.50	368.65
Administration	20.9	1.9		26.6			0.7	2.7		53.0	23,050.50	435.10
Total for General Case Administration and Planning:	27.2	1.9		26.6			0.7	2.7		64.5	27,302.00	423.26
Compliance with the Insolvency Act, Rules and best practice	4.1							1.2		5.3	2,420.50	456.70
Appointment												
Banking and Bonding	1.3			0.3				0.1	1.2	2.9	1,024.00	353.10
Case Closure												0.00
Statutory reporting and statement of affairs	18.1							19.6		37.9	12,953.50	341.25
Total for Compliance with the Insolvency Act, Rules and best practice:	23.5			0.3				21.1	1.2	46.1	16,378.00	355.27
Investigations	21.4			12.2			13.6	29.6		77.0	23,578.00	306.21
CCDA and investigations												
Total for Investigations:	21.4			12.2			13.6	29.6		77.0	23,578.00	306.21
Realisation of assets	0.4									0.4	218.00	545.00
Debt collection												
Property, business and asset sales	14.0									14.0	7,630.00	545.00
Retention of Third Party assets												0.00
Total for Realisation of assets:	14.4									14.4	7,848.00	545.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	3.4			0.5				1.4		5.3	2,260.00	428.42
Secured												
Others												
Creditors committee	2.6	7.3								10.7	5,103.00	505.25
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	8.2	7.3		0.5				1.4		18.4	7,363.00	478.12
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings	7.2									7.2	3,924.00	545.00
Other												0.00
Tax												0.00
Litigation												0.00
Total for Other matters:	7.2									7.2	3,924.00	545.00
Total hours by staff grade:	99.9	9.2		39.6			14.5	60.0	1.2	224.6		
Total time cost by staff grade £:	84,445.50	4,508.00		15,124.00			2,487.50	9,300.00	186.00	98,391.00		
Average hourly rate £:	545.00	490.00	0.00	380.00	0.00	0.00	195.00	155.00	155.00		0.00	384.64
Total fees drawn to date £:												

ACCUMULATE CAPITAL 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.

We have already provided an effective reduction in our fees by completing the work required in the administration at regional charge out rates instead of the London charge out rates normally used for work relating to companies located in the greater London area. This has provided creditors with an approximate discount of 20%.

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	48	15,120	315.00
Compliance with the Insolvency Act, Rules and best practice	55	14,085.00	256.09
Investigations	270	94,045.00	348.31
Realisation of assets	105	33,150.00	315.71
Trading	0	0	0
Dealing with all creditors' claims (including employees), correspondence and distributions	89	26,760	300.67
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	34	12,630.00	371.47
Total hours	601		
Total time costs		195,790.00	
Overall average hourly rate £			325.77

What is the anticipated payment for administering the case?

Although the fees estimate indicates that the total time costs for this matter will be £195,790.00, we are aware that there are limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is uncertain at this stage due to the nature of the assets. However, please note that should there be additional or 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>. There is also a case specific explanation in the letter accompanying this fee estimate

Dated: 13 April 2022

ACCUMULATE CAPITAL 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.	170.00 plus VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	320.00 plus VAT
3.	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 plus VAT (based on an estimation of 10 boxes)
4.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	100,000.00 – 110,000.00 plus VAT
5.	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	10% of realisations
6.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	30.00 plus VAT
7.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	10,000.00 plus VAT
8.	Travel	Travelling to various meetings to assist with administering the administration, including travel to creditors meetings where applicable.	300.00 plus VAT
9.	Room hire	For requisitioned physical meetings of creditors, meetings with the directors or debtor etc.	500.00 plus VAT
10.	Postage	Postworks	839.80 plus 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.

O'HARAS LIMITED

- ❑ O'Haras Limited's charging policy
- ❑ O'Haras Limited's Pre-administration work, costs and proposed remuneration with Pre-Administration Time Costs Analysis is attached.
- ❑ O'Haras Limited's summary of work undertaken since the Original Proposals.
- ❑ Table of time spent and charge-out value
- ❑ Details of the expenses incurred by O'Haras Limited.

Begbies Traynor (SY) LLP have had no involvement in the preparation of this information (except for providing template documentation) and therefore cannot comment on its content or accuracy.

Creditors' Guide to Fees

Practice Fees and Disbursements Recovery Policy

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointment. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee, if one is appointed by the creditors, failing which the creditors in general or by the court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.r3.org.uk/what-we-do/publications/professional/fees>. Alternatively, a hard copy may be requested from O'Haras Limited of Moorend House, Snelsins Lane, Cleckheaton, West Yorkshire, BD19 3UE.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time cost basis, i.e., by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can see further information and challenge the basis on which the fees are calculated, and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time Cost basis

When charging fees on a time cost basis we use charge out rates appropriate for the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of Staff	Current Charge out Rate (Effective from 6 April 2021) £ per hour
Partner	500 - 650
Manager	350-400
Other Senior Professionals	250
Assistants & Support Staff	200
Time costs are calculated using 6-minute units.	

These charge out rates are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and planning
- Investigations
- Realisations of Assets
- Creditors
- Trading
- Case Specific Matters

When we seek time costs approval, we have to set out a fee estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fees reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015 most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 however we do not look to seek our remuneration on a percentage basis.

However, where we do look to recover our fees on a percentage basis a report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisation and the work covered by that remuneration, as well as the expenses that will be or are likely to be incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised and where approval is obtained on a mixture of bases. Any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fees reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis, then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the court.

Fixed Fee Basis

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks, in cases where we were appointed prior to 1 October 2015 most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge, and the work covered by that remuneration as well as the expenses that will be or are likely to be incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fees reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis, then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the court.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to member's voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVL's, the Company's members set the fee basis, often as a fixed fee. In CVA's & IVA's, the fee basis is set out in the proposals and creditors approve the fees when they approve the arrangement.

All Bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangement, which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

These are charged at cost, based upon the charge made by the Agent instructed. The term Agent includes:

- Statutory Advertising
- Solicitors/Legal Advisors
- Auctioneers/Valuer's
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015 the office holder will provide details of expenses to be incurred or likely to be incurred when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP 9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or O'Haras Limited; in the case of the latter, the invoices make a reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval

of creditors, either by a direct payment from the estate or where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of Category 1 disbursements are statutory advertising, external meeting room hire, external storage and archiving costs, specific bond insurance, Company search fees, postage, travel expenses and photocopying (where a third party is used).

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third-party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the bases of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying (internal), internal room hire, internal storage and mileage.

The following Category 2 disbursements are to be recovered as follows:

Postage:	
1 st Class	£1.10
2 nd Class	£1.00
Airmail	£2.00
Other	According to weight and size
Photocopying	Up to 20p per sheet
Mileage	70p per mile
Internal Room Hire	£25 - £100 per meeting

DETAILS OF THE WORK CARRIED OUT PRE ADMINISTRATION BY THE FORMER OFFICE HOLDER, THE ASSOCIATED COSTS AND THE PROPOSED REMUNERATION FOR THE WORK

CASE NAME: Accumulate Capital Limited

CASE TYPE: ADMINISTRATION

FORMER OFFICE HOLDER: Jeremy Bennett

DATE OF APPOINTMENT: 18 November 2021

DATE OF RESIGNATION: 3 March 2022

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

We were introduced to the Company's director in September 2021 by a third party.

A review of the business was carried out primarily with regards to how the Company operated in conjunction with SPV's whom the various companies within the Accumulate Group had invested monies into following the receipt of monies by the companies from individual investors.

It became apparent that the Company did not trade as such, and so there was no prospect of a pre appointment SIP16 sale of the business.

1.4 Complexity of work undertaken prior to appointment

a very complex assignment which included taking steps to understand the group companies' relationships; the asset and security position within the SPVs and within the group; including their overall interrelationship.

1.5 Exceptional responsibilities

As 1.4

1.6 The proposed Administrators' effectiveness

very effective, the Appointments were made promptly and efficiently having engaged with various stakeholders

1.7 The views of the creditors

The views of Huddle SPV4 Ltd, the secured creditor were sought with regards as to whether they would consent to the appointment of an Administrator.

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

The Administrators are seeking a resolution in relation to their pre-administration 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 Other professionals employed & their costs

Gunner Cooke LLP solicitors were instructed to draft the relevant documentation such as the notice of intention to appoint an Administrator and the notice of appointment.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING POLICY

2.1 O'Haras policy for charging fees and expenses incurred by office holders is attached at Appendix [insert number].

2.2 *Where time costs only:* The rates charged by the various grades of staff who may work on a case are attached at Appendix [insert number].]

Time Entry - Detailed SIP9 Time & Cost Summary

A793 - Accumulate Capital Limited
To: 01/04/2022
All Pre Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : 100 - Administration & Planning	17.10	1.00	0.00	0.00	18.10	11,015.00	608.56
Administration & Planning	17.10	1.00	0.00	0.00	18.10	11,015.00	608.56
300 : 300 - Realisation of assets	12.00	0.00	0.00	0.00	12.00	6,000.00	500.00
Realisation of Assets	12.00	0.00	0.00	0.00	12.00	6,000.00	500.00
Total Hours	29.10	1.00	0.00	0.00	30.10	17,015.00	565.28
Total Fees Claimed						0.00	

Accumulate Capital Limited

SUMMARY OF WORK TO UNDERTAKEN BY THE FORMER ADMINISTRATOR, PAYMENTS AND EXPENSES

O'HARAS LIMITED

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees and the payment of certain expenses to make an informed judgement about the reasonableness of our request for approval of the same.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors we have used the headings from our Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the administration.

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 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.

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.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

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

Investigations

All investigatory work has been undertaken by Jeremy Bennett and his staff at O'Haras Limited.

This type of work includes:

SIP 2 Review:

- Correspondence to request information on the company's dealings, making further enquiries of third parties.
- Reviewing questionnaires submitted by creditors.
- Reconstruction of financial affairs of the company.
- Reviewing company's books and records.
- Preparation of deficiency statement.
- Review of specific transactions and liaising with directors regarding certain transactions.
- Liaising with the committee/creditors or major creditors about further action to be taken.

Reporting on conduct of director(s):

- Liaising with the Insolvency Service.
- Assisting the Insolvency Service with its investigations.

If Legal proceedings were required following our investigations, then the following work would be involved:

Litigation/Recoveries:

- Strategy meeting regarding litigation.
- Seeking funding from creditors.
- Reviewing terms of solicitors' conditional fee agreements.
- Preparing brief to solicitors/counsel.
- Liaising with solicitors regarding recovery actions.
- Dealing with ATE insurers.
- Attending to negotiations.
- Attending to settlement matters

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. We 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.

The Company is a 100% shareholder in five Funding SPVs into which syndicated investment monies arranged by the Company were paid by investors before then being advanced to a further 5 Developer SPVs.

Once appointed, the Administrator oversaw the completion of strategies agreed with the providers of senior debt / the first charge holders in relation to the realisation of the Developing SPV assets (and in turn concerning recoveries for the benefit of the Funding SPV creditors).

Trading

The Company operated as an investment manager and the focus was to protect the various investments the Company arranged. The Company had no material trading operations outside of this role and there was no therefore no financial incentive to considering an ongoing trading strategy.

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.

The floating charge creditor, Huddle SPV4 Limited, was re-paid under the terms of their debenture.

There are 5 unsecured creditors in this matter.

Time will be spent dealing with all creditor queries as and when required.

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.

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 for the period 18 November 2021 to 3 March 2022, 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 each analysis provides details of the work undertaken by us and our staff following our appointment only.

Pre Administration costs

Details of the pre appointment work carried out by the former administrator, together with our costs and proposed remuneration are found within the Proposal document[,], and are also detailed separately within this Appendix.

Expenses

Details of all of the expenses incurred since the date of our appointment are attached at appendix [X].

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.beobies-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.

Commented [JH1]: Please add web link to O'Hara's equivalent

Accumulate Capital Limited

Case progression from JB's proposals to JB removal

- Ongoing work re sale of properties relating to Accumulate London SW Ltd, Accumulate Residencies Ltd and Accumulate Commercial Limited
- Liaison with agents and other parties in respect of the above
- Communication's with creditors and/or their solicitor and/or creditor committee member(s) including guidance for committee
- Discharging secured creditor
- Assistance with securing Begbies Traynor appointment and removal of JB
- General care and conduct.

Time Entry - Detailed SIP9 Time & Cost Summary

A793 - Accumulate Capital Limited
To: 03/03/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : 100 - Administration & Planning	29.30	25.40	0.00	0.00	54.70	26,570.00	522.30
101 : 101 - Case planning	25.80	0.00	0.00	0.00	25.80	14,070.00	545.35
102 : 102 - Administrative set-up	0.00	0.00	27.00	0.00	27.00	5,400.00	200.00
103 : 103 - General Admin	0.00	0.00	18.00	0.00	18.00	3,600.00	200.00
105 : 105 - Stakeholder reporting	13.50	10.90	0.00	0.00	24.40	10,850.00	444.67
108 : 108 - Cashiering	0.00	1.00	0.00	0.50	1.50	325.00	216.67
107 : 107 - Reviews	0.00	3.80	0.00	0.00	3.80	1,370.00	360.53
Administration & Planning	68.60	41.10	45.00	0.50	155.20	64,185.00	413.56
500 : 500 - Creditors	0.00	3.40	0.00	0.00	3.40	1,285.00	377.94
501 : 501 - Communication	0.00	0.30	0.00	0.00	0.30	105.00	350.00
502 : 502 - Claims	0.00	0.40	0.00	0.00	0.40	140.00	350.00
504 : 504 - Secured Creditors	10.00	1.50	0.00	0.00	11.50	5,525.00	480.43
Creditors	10.00	5.60	0.00	0.00	15.60	7,055.00	452.24
200 : 200 - Investigations	0.00	0.70	0.00	0.00	0.70	245.00	350.00
204 : 204 - General Investigations	4.00	1.00	0.00	0.00	5.00	2,350.00	470.00
Investigations	4.00	1.70	0.00	0.00	5.70	2,595.00	455.26
300 : 300 - Realisation of assets	99.00	1.60	0.00	0.00	100.60	50,050.00	497.91
301 : 301 - Identify, securing, insuring	0.00	0.80	0.00	0.00	0.80	320.00	400.00
Realisation of Assets	99.00	2.40	0.00	0.00	101.40	50,410.00	497.14
Total Hours	181.60	50.80	45.00	0.50	277.90	124,245.00	447.09
Total Fees Claimed						0.00	

ACCUMULATE CAPITAL LIMITED

O'HARA'S 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	82.95 (net)
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	774.00
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	
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.	
5.	Property agent's valuation fees Pantera Property	See attached	
6.	Property agent's sale fees [and disbursements]	[insert description [and their anticipated disbursements]]	
7.	[Legal fees and disbursements]	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	Squire Paton Boggs £75,919.50 plus VAT Gunner Cooke £36,200 plus VAT Disbs £50