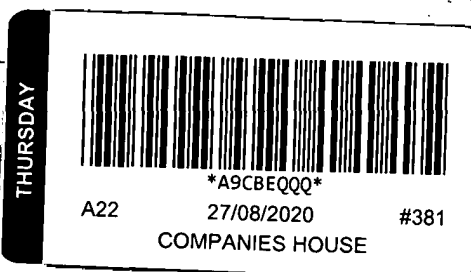


# AM10

## Notice of administrator's progress report



Companies House



### 1 Company details

Company number 02802585

Company name in full Staveley Head Limited

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

### 2 Administrator's name

Full forename(s) Sarah

Surname Bell

### 3 Administrator's address

Building name/number Duff & Phelps Ltd.

Street The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M21EW

Country England

### 4 Administrator's name ①

Full forename(s) Steven

Surname Muncaster

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

### 5 Administrator's address ②

Building name/number Duff & Phelps Ltd.

Street The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M21EW

Country England

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

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d 0 d 5	m 0 m 2	y 2 y 0 y 2 y 0
To date	d 0 d 4	m 0 m 8	y 2 y 0 y 2 y 0

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*J. Lee*

X

Signature date	d 2 d 5	m 0 m 8	y 2 y 0 y 2 y 0
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# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name Daniel Ryan

Company name Duff & Phelps Ltd

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country England

DX

Telephone 0161 827 9178



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

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**Progress Report to  
Creditors  
Staveley Head Limited  
(In Administration)**

25 August 2020

*Joint Administrators' Progress Report to Creditors  
For the period from 5 February 2020 to 4 August 2020.*

**Duff & Phelps Ltd.  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW**

## **Contents**

1. Introduction
2. Creditor summary
3. Progress of the Administration
4. Outcome for Creditors
5. Other matters
6. Joint Administrators' fees and expenses and pre-Administration costs
7. Future strategy

## **Appendices**

1. Statutory information
2. Approved proposals
3. Receipts and Payments account
4. Analysis of time charged
5. Narrative of work carried out for the Reporting Period
6. Statement of Creditors' rights
7. Definitions
8. Notice about this report
9. Fees and Costs Information to Creditors

## **1. Introduction**

The Joint Administrators were appointed on the Appointment Date by the Directors of the Company pursuant to Paragraph 22 of the Act.

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' Statement of Proposals.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 7.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 8.

## **2. Creditor summary**

This Progress Report covers the six-month period from the Appointment Date to 4 August 2020.

### **Summary of Proposals**

A summary of the Proposals is included at Appendix 2. A copy of the Statement of Proposals is available on the Duff & Phelps website at <http://www.duffandphelps.com/ukrestructuring>.

As detailed in the Proposals, the first objective could not be met as there were insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators have achieved the second objective as continuing to trade the Company in Administration allowed the sale of the business as a going concern. This has preserved the value of the business as customer contracts, which would have been terminated if the Company had been placed into Liquidation, have been maintained, thus preserving the goodwill and overall value of the business. The sale also resulted in the transfer of all remaining employees to the Purchaser, which allows the Joint Administrators to mitigate the level of Preferential Creditors.

In addition, it is also anticipated that the third objective will be achieved as the Joint Administrators anticipate that a distribution will be made to the Preferential Creditors of the Company in due course.

### **Progress to date**

The Joint Administrators traded the Company in Administration with a view to pursuing a going concern sale of the business and assets, as it was considered that achieving a sale as a going concern would lead to asset realisations being enhanced and Preferential Creditor claims being minimised.

Upon their appointment, the Joint Administrators reduced the Company's staff to a core team of 27 employees that would be sufficiently skilled to carry out the key functions of the business. The Company continued to service customers whilst inviting renewals and taking on new business where possible.

The Joint Administrators began the marketing process on 10 February 2020, circulating a Teaser Document providing an overview of the business and its financial information, as well as an NDA to be signed should they choose to engage. This was distributed to 690 interested parties selected from Duff & Phelps' interested party database.

A total of 33 interested parties returned signed NDAs and eight of these parties subsequently submitted offers for the business as a whole or specific elements of the business.

Following a period of negotiations, the business and assets of the Company were sold to the Purchaser on 2 April 2020.

#### **Outcome for Creditors**

The Joint Administrators are not aware of any secured creditors of the Company.

A total of 51 employees were made redundant on the Appointment Date by the Joint Administrators. The Preferential Creditor claims consist of former employees' claims for arrears of pay and holiday pay, the majority of which are subrogated to the DBEIS following payment to the employees by the RPS. Preferential creditor claims are expected to total £22,376. It is anticipated that there will be sufficient realisations to enable a dividend to Preferential Creditors.

According to the Company's records, Unsecured Creditors totalled £9,978,366 as at the Appointment Date. Note that this figure includes a contingent claim against the Company which at this point has not been agreed. It is currently anticipated that there will be sufficient realisations to enable a distribution to Unsecured Creditors.

### **3. Progress of the Administration**

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

#### **3.1 Administration trading period**

As previously reported, upon their appointment the Joint Administrators' representatives attended the trading premises to undertake an immediate review of the Company's financial and operational position. The decision was taken to continue to trade the Company whilst the Joint Administrators pursued a sale of the business and assets as a going concern. It was considered that should a sale as a going concern be achieved, asset realisations would be maximised and creditor claims would be minimised.

To ensure a cost-effective trading period, the Company's staff was reduced to a core team of 27 workers that were sufficiently skilled to carry out the key functions of the business. These key functions included, but were not limited to, accounts, sales, compliance and customer services.

During the trading period, the Company continued to service customers whilst inviting renewals and taking on new business where possible.

The Company ceased trading upon the completion of the sale of the business and certain assets of the Company on 2 April 2020.

Commissions of £207,116 were generated during the trading period and total trading costs of £297,559 were incurred, including a PAYE liability of £85,903 which is yet to be settled and is therefore not shown in the Receipts and Payments account at Appendix 3.

A full reconciliation of the trading period is being carried out but based on current information a trading deficit of £90,443 was incurred, however this allowed the Joint Administrators to complete the sale of the business and certain assets of the Company and preserve the jobs of the 22 remaining employees, whilst also reducing the level of preferential claims against the Administration estate.

#### **3.2 Asset realisations**

Realisations during the Reporting Period are set out in the attached Receipts and Payments account at Appendix 3.

Summaries of the most significant realisations during the Administration are provided below:

### 3.2.1 Sale of business

Following the Joint Administrators' appointment, a Teaser Document was prepared, which provided an overview of the business and its financial information. On 10 February 2020, the Teaser Document was distributed to 690 interested parties selected from Duff & Phelps' interested party database to market the business and assets of the Company for sale. The interested party database included, but was not limited to, parties within the financial industry, as well as entrepreneurs, lawyers, business advisors and business financiers.

An NDA was issued with the Teaser Document and expressions of interest were requested for 5pm on 13 February 2020.

A total of 33 NDAs were received from interested parties, confirming their interest in receiving further information on the Company. Indicative offers were subsequently requested for 5pm on 19 February 2020.

Three of these parties submitted offers for the business and assets of the Company and a further five parties submitted offers for specific elements of the insurance contracts, e.g. motorhomes or taxi only.

The Joint Administrators considered combining a number of the offers received for certain elements of the book, however it was thought that making a sale of the business as a whole would provide maximum realisable value and would reduce claims against the estate should all remaining employees transfer to a purchaser pursuant to TUPE regulations.

A deadline for best and final offers was subsequently set for 5pm on 10 March 2020. Following the passing of the deadline, and a period of negotiations, the Joint Administrators decided to progress with a preferred bidder.

The Joint Administrators began negotiating sale contracts with the preferred bidder, however discussions became protracted due to the impact of the Covid-19 pandemic and UK government restrictions.

On 2 April 2020, the Joint Administrators were able to successfully complete a sale of the business and certain assets of the Company to the Purchaser for the total sum of £75,000. A breakdown of the sale consideration is provided below:

Asset	Consideration £
Business Intellectual Property	1
Computer Systems	36,198
Supplier Contracts	1
Renewal Commissions	2
Equipment	24,055
Goodwill	1
Stock	14,741
Records	1
<b>Total</b>	<b>75,000</b>



It should be noted that the sale excluded any existing policies at the date of completion and the Purchaser has been appointed as an agent of the Company to assist with administering policies until they fall due for renewal.

As such, the Administration estate will continue to receive the benefit of the Company's commission in relation to those policies. It is anticipated that this will result in the realisations of approximately £360,000 for the benefit of the Administration estate.

### 3.2.2 Motor vehicles

At the Appointment Date, the Company owned two unencumbered motor vehicles, as follows:

<u>Make</u>	<u>Model</u>
Mercedes	CLA220 CDI Sport
Audi	A5 Coupe 2.0 TDI

The Mercedes vehicle was driven by an employee who was made redundant on the Appointment Date. The Agents were instructed to assist with the collection and sale of the vehicle. The Agents collected the vehicle following appointment and achieved a sale of the vehicle for the sum of £8,750 to an unconnected third party.

The Joint Administrators also agreed a sale of the Audi vehicle to one of the retained employees for the sum of £4,000. The Agents confirmed that this represents fair value for the vehicle and avoids any additional costs for uplift and sale.

### 3.2.3 Cash at bank

Following the appointment of the Joint Administrators, the sum of £380,806 was received from the Bank, representing the credit balance held on the Company's current bank account at the date of appointment.

### 3.2.4 Other assets

The Joint Administrators are not aware of any other assets available to the Company.

### 3.2.5 Investigations

Upon their appointment, the Joint Administrators engaged the services of Kroll, a division of Duff & Phelps, who attended the premises to assist with protecting the Company data. All user accounts were immediately disabled whilst a back-up of the in-house customer data was taken. Kroll also obtained a back-up of the external customer database and historic company emails to assist with investigations.

The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of all Directors that held office in the three years prior to the Administration. The Joint Administrators have filed their report regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

The Joint Administrators investigations into the affairs of the Company remain ongoing, however full details of these investigations cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard.

### 3.3 Costs

Payments made in the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

Summaries of the most significant payments during the Reporting Period are provided below:

### 3.3.1 Trading expenditure

Costs have been incurred to ensure continued trading of the business and payments have been made to cover items such as IT services, supplier costs and hire of equipment.

A ransom payment of £16,766 was also paid to the Company's IT service provider to ensure continuity of services. This payment related to the outstanding pre-appointment costs of the IT services provider.

To date, trading expenditure has been paid totalling £211,656. The trading expenditure is summarised in the Receipts and Payments Account at Appendix 3.

### 3.3.2 Legal costs

Legal costs of £17,068 were paid to JMW during the Reporting Period in relation to advice received regarding pre-Administration legal claims against the Company and potential claims / counterclaims against third parties.

This advice included a review of the validity / merits of these claims, the potential strategy in defending / progressing such claims and the resulting benefits to the Administration estate in doing so. No further information can be provided at this stage so as not to prejudice the Company's position.

The sum of £22,734 has also been paid to Gateley's in respect of their assistance in advising on the sale of the business and certain assets of the Company, together with preparing the sale contract and associated documents.

## 4. Outcome for Creditors

### 4.1 Secured Creditors

The Joint Administrators are not aware of any secured creditors of the Company.

### 4.2 Preferential Creditors

As detailed earlier in this report, a total of 51 employees were made redundant on the Appointment Date by the Joint Administrators.

The Preferential Creditor claims consist of former employees' claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the DBEIS following payment to the employees by the RPS.

Based on current information, the Preferential Creditor claims are expected to total £22,376.

It is anticipated that there will be sufficient realisations to enable a dividend to the Preferential Creditors of 100 pence in the pound.

### 4.3 Unsecured Creditors

According to the Company's records, Unsecured Creditors total £9,978,366 as at the Appointment Date and can be summarised as follows:

Creditor	£
Trade, expense and other creditors	9,825,289
Employees (unsecured element)	153,077
<b>Total</b>	<b>9,978,366</b>

Based on the current information available to the Joint Administrators, it is anticipated that there will be sufficient realisations to enable a distribution to the Unsecured Creditors, however the quantum and timing are currently uncertain. A further update will be provided in the next report to creditors.

#### **4.4 Prescribed part**

The Company is not subject to any floating charges and therefore, the Prescribed Part provisions will not apply.

### **5. Other matters**

#### **5.1 Creditors' Committee**

A creditor's committee has not been established as the Joint Administrators received insufficient nominations.

#### **5.2 Joint Administrators' Receipts and Payments account**

A detailed Receipts and Payments account for the Reporting Period is shown in Appendix 3, together with a cumulative account for the whole of the Administration.

#### **5.3 Statement of Creditors' rights**

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 6, Statement of Creditors' Rights.

### **6. Joint Administrators' fees and expenses and pre-Administration costs**

#### **6.1 Fees and expenses**

Time is charged in 6-minute units and set out below are the hourly rates, with effect from 1 February 2020, excluding VAT:

	£
Managing Directors	650 – 750
Managers / Directors	390 – 665
Senior Associates	330 – 380
Project Administrators / Analysts	150 – 280

##### **6.1.1 Time costs**

Details of the time charged for the Reporting Period are attached at Appendix 4.

Time costs incurred in the reporting period total £325,039, which represents 998 hours at an average hourly rate of £326.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 5.

##### **6.1.2 Fees**

An initial Fee Estimate of £255,620 was prepared and included in the Joint Administrators' Proposals to Report to Creditors.

The original Fee Estimate has been exceeded and the time now expected to be incurred by the Joint Administrators over the life of the case is estimated to total £404,473.

In view of the above, the Joint Administrators are seeking consent from the Preferential and Unsecured Creditors to approve the fee basis (time costs), as well as the Revised Fee Estimate in the total sum of £404,473.

Further information regarding the time incurred, and future time expected to be incurred, has been included at Appendix 9 to assist creditors in considering the approval of the Revised Fee Estimate.

#### **6.1.3 Expenses and disbursements**

Details of the expenses and disbursements charged during the Reporting Period are included in the Receipts and Payments Account at Appendix 3.

#### **6.1.4 Additional information**

Also attached at Appendix 5 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 6.

#### **6.2 Pre-Administration costs**

Pre-Administration costs are defined in the Rules as fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to it doing so.

A summary of the Pre-Administration costs incurred is provided below:

<b>Pre-Administration costs</b>	<b>Total (£)</b>
Duff & Phelps – Fees	875
Duff & Phelps – Disbursements	288
Gateleys - Fees	10,000
Gateleys – Disbursements	55
<b>Total</b>	<b>11,218</b>

The above costs exclude VAT.

The Joint Administrators are seeking the approval of the Preferential and Unsecured Creditors to settle the Pre-Administration costs. Further information regarding the approval of the Pre-Administration costs is provided at Appendix 9.

### **7. Future Strategy**

#### **7.1 Future conduct of the Administration**

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

- Continue to deal with policies up until the point of renewal, with the assistance of the Purchaser;
- Finalise ongoing investigations;
- Finalise tax matters with HMRC;

- Settle all outstanding costs of the Administration;
- Complete all other statutory matters prior to finalising the Administration; and
- Pay a dividend to Preferential and Unsecured Creditors, as appropriate.

## **7.2 Extension of the Administration**

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

Should an extension to the period of the Administration be required, the Joint Administrators will seek the requisite consents and notify creditors accordingly.

## **7.3 Future reporting**

The Joint Administrators will provide a further progress report within one month of every six months or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Daniel Ryan of this office.



**Sarah Bell**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Sarah Bell and Steven Muncaster, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners' Association.

## Appendix 1 – Statutory information

### COMPANY INFORMATION

<b>Company and trading name</b>	Staveley Head Limited	
<b>Date of incorporation</b>	23 March 1993	
<b>Registered Number</b>	02802585	
<b>Company Directors</b>	Ashley Peters Martin Tyler (Resigned: 1 April 2020)	
<b>Trading address</b>	Staveley House Church Street Connah's Quay Deeside CH5 4AS	
<b>Registered office</b>	<b>Current:</b> Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	<b>Former:</b> Staveley House Church Street Connah's Quay Deeside CH5 4AS

### ADMINISTRATION INFORMATION

<b>Administration Appointment</b>	The Administration appointment granted in the High Court of Justice in Manchester, Business and Property Courts, Number 139 of 2020	
<b>Appointor</b>	Company Directors	
<b>Date of Appointment</b>	5 February 2019	
<b>Joint Administrators</b>	Sarah Bell Steven Muncaster	
<b>Original purpose</b>	To achieve a better result for the Company's creditors as a whole than would be likely if it were wound up without first being in Administration	
<b>Functions</b>	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
<b>Current Administration expiry date</b>	5 February 2021	
<b>Prescribed part</b>	The Prescribed Part is not applicable in this case.	
<b>Application of EC Regulations</b>	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

## Appendix 2 – Approved Proposals

The Joint Administrators proposed the following:

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors;
- To seek an extension to the Administration period if considered necessary;
- To make distributions to the Preferential Creditors and Unsecured Creditors where funds allow;
- That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:
  - Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
  - Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action 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 them;
  - Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action 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 them;
  - Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies, if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.
  - Alternatively, the Joint Administrators may allow the Administration to end automatically.

**Appendix 3 – Receipts and Payments account**



**Staveley Head Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs £	From 05/02/2020 To 04/08/2020 £	From 05/02/2020 To 04/08/2020 £
POST APPOINTMENT SALES		
Commissions	207,116.00	207,116.00
	207,116.00	207,116.00
PURCHASES		
Administrative Costs	10,576.50	10,576.50
	(10,576.50)	(10,576.50)
OTHER DIRECT COSTS		
Direct Labour	124,073.50	124,073.50
Employee Expenses	112.81	112.81
Pension Contributions	15,609.70	15,609.70
	(139,796.01)	(139,796.01)
TRADING EXPENDITURE		
Rents	1,730.77	1,730.77
Utilities	357.57	357.57
Telephone	2,788.58	2,788.58
Professional Fees	4,194.55	4,194.55
Hire of Equipment	1,564.23	1,564.23
Repairs & Maintenance	2,016.28	2,016.28
Sundry Expenses	1,389.48	1,389.48
Stationery	184.46	184.46
Postages	1,015.00	1,015.00
IT Services	39,443.17	39,443.17
Payroll Costs	491.95	491.95
Food & Beverage	553.03	553.03
Customer Refund	3,233.96	3,233.96
Employee Benefits	643.86	643.86
Global Payments fees	1,676.68	1,676.68
	(61,283.57)	(61,283.57)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(4,540.08)</b>	<b>(4,540.08)</b>

**Staveley Head Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 05/02/2020 To 04/08/2020 £	From 05/02/2020 To 04/08/2020 £
<b>ASSET REALISATIONS</b>		
Bank Interest Gross	94.94	94.94
Books & Records	1.00	1.00
Cash at Bank	380,806.33	380,806.33
Computer Systems	36,198.00	36,198.00
Furniture & Equipment	24,055.00	24,055.00
Goodwill	1.00	1.00
Intellectual Property	1.00	1.00
Licence Fee	37,500.00	37,500.00
Motor Vehicles	12,750.00	12,750.00
Renewal Commissions	2.00	2.00
Stock	14,741.00	14,741.00
Supplier Contracts	1.00	1.00
Trading Surplus/(Deficit)	(4,540.08)	(4,540.08)
	<u>501,611.19</u>	<u>501,611.19</u>
<b>COST OF REALISATIONS</b>		
Agents/Valuers Fees	1,225.00	1,225.00
Bank Charges	45.00	45.00
Contribution to Supplier Costs	(44,640.03)	(44,640.03)
General Consultancy	6,353.60	6,353.60
Insurance of Assets	1,115.78	1,115.78
Irrecoverable VAT	22,442.63	22,442.63
Legal Disbursements	1,622.00	1,622.00
Legal Fees	38,179.50	38,179.50
Licence Fee	30,000.00	30,000.00
Media Agents	1,925.00	1,925.00
Professional Fees	480.00	480.00
Statutory Advertising	189.00	189.00
	<u>(58,937.48)</u>	<u>(58,937.48)</u>
	<b><u>442,673.71</u></b>	<b><u>442,673.71</u></b>
<b>REPRESENTED BY</b>		
Book Debt Realisation Account		454,201.90
Floating/main current account		446,458.02
SHL - Global Payments suspense acc		(403,629.23)
SHL - Trust Monies		(55,187.51)
VAT Receivable		830.53
		<u><b>442,673.71</b></u>

Note:

#### **Appendix 4 – Analysis of time charged**

Please refer to the table overleaf for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9.

115115 STAVELEY HEAD LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 31/01/2020 to 04/02/2020

ADP-Admin. - Pre Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg. Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning Strategy planning & control	0.00	0.00	0.00	3.50	0.00	3.50	875.00	250.00
<b>Total Hours:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.50</b>	<b>0.00</b>	<b>3.50</b>		<b>250.00</b>
<b>Total Fees Claimed: £</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>875.00</b>	<b>0.00</b>		<b>875.00</b>	

Category 2 Disbursements:

**115115 STAVELEY HEAD LIMITED**
**ANALYSIS OF TIME COSTS FOR THE PERIOD 05/02/2020 to 04/08/2020**

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	0.00	0.00	2.75	0.00	2.75	522.50	190.00
Cashiering & accounting	0.00	20.10	15.70	64.45	0.00	100.25	29,961.50	298.87
Dealings with Directors and Management	3.00	0.00	13.90	6.50	0.00	23.40	8,616.00	368.21
IPS set up & maintenance	0.00	0.00	0.00	4.30	0.00	4.30	650.00	151.16
Insurance	0.00	0.00	0.50	0.75	0.00	1.25	337.50	270.00
Statutory matters (Meetings & Reports & Notices)	5.40	1.00	18.80	46.65	0.00	71.85	19,279.50	268.33
Strategy planning & control	3.50	49.60	82.40	30.70	0.00	166.20	68,842.00	414.21
Tax Compliance / Planning	0.00	0.00	3.70	1.50	0.00	5.20	1,818.00	349.62
<b>Creditors</b>								
Communications with Creditors / Employees	2.50	0.00	25.70	9.65	0.00	37.85	13,256.50	350.24
Non Pref Creditors / Employee claims handling	0.00	0.00	1.40	4.40	0.00	5.80	1,382.00	238.28
Secured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Investigations</b>								
CDDA & reports & Communication	3.50	0.00	4.60	14.20	0.00	22.30	6,857.00	307.49
Financial review and investigations (S238/239 etc)	0.00	5.80	76.75	0.00	0.00	82.55	27,950.50	338.59
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	8.90	1.20	0.00	10.10	3,723.00	368.61
Freehold and Leasehold Property	1.30	0.00	2.90	2.40	0.00	6.60	2,534.00	383.94
Other Intangible Assets	0.00	0.00	0.90	0.00	0.00	0.90	351.00	390.00
Other Tangible Assets	0.00	0.00	0.00	2.60	0.00	2.60	494.00	190.00
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.00	1.90	0.00	0.00	1.90	627.00	330.00
Pre-Appointment Tax Reclaims	0.00	0.00	0.00	1.30	0.00	1.30	325.00	250.00
Sale of business	12.70	13.90	59.50	83.15	0.00	169.25	56,122.50	331.60
<b>Trading</b>								
Trading - Accounting	0.00	0.00	0.90	24.00	0.00	24.90	4,857.00	195.06
Trading - Employees	0.70	0.00	5.00	39.70	0.00	45.40	9,888.00	217.80
Trading - Insurance	0.00	0.00	0.00	11.00	0.00	11.00	2,540.00	230.91
Trading - Operations	6.30	0.00	163.10	31.20	0.00	200.60	64,104.00	319.56
<b>Total Hours:</b>	<b>38.90</b>	<b>90.40</b>	<b>486.55</b>	<b>382.40</b>	<b>0.00</b>	<b>998.25</b>		<b>325.61</b>
<b>Total Fees Claimed: £</b>	<b>25,285.00</b>	<b>48,683.00</b>	<b>169,484.50</b>	<b>81,586.00</b>	<b>0.00</b>		<b>325,038.50</b>	

Category 2 Disbursements:

## Appendix 5 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the period 5 February 2020 to 4 August 2020	
Administration and planning	<ul style="list-style-type: none"> <li>Monitoring and reviewing the Administration strategy;</li> <li>Briefing staff on the Administration strategy and matters in relation to workstreams;</li> <li>Regular case management and reviewing of process including regular team update meetings and calls;</li> <li>Meeting with management to review and update strategy and monitor progress;</li> <li>Reviewing and authorising junior staff correspondence and other work;</li> <li>Dealing with queries arising during the appointment;</li> <li>Reviewing matters affecting the outcome of the Administration;</li> <li>Allocating and managing staff/ case resourcing and budgeting exercises and reviews;</li> <li>Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and</li> <li>Complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Updating the list of Unsecured Creditors;</li> <li>Responding to enquiries from Creditors regarding the Administration and submission of their claims; and</li> <li>Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records.</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>Managing and reviewing the Company books and records;</li> <li>Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;</li> <li>Obtaining records from third parties;</li> <li>Enquiring with counterparties who has raised disputes against the Company;</li> <li>Reviewing pre-appointment transactions; and</li> <li>Documenting investigations.</li> </ul>
Statutory and compliance	<ul style="list-style-type: none"> <li>Ensuring compliance with all statutory obligations within the relevant timescales;</li> <li>Drafting and publishing this report;</li> <li>Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li> <li>Preparing the fees estimate; and</li> <li>Preparing the expenses estimate.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>Preparing statutory receipts and payments accounts;</li> <li>Making payments to suppliers; and</li> <li>Renewing bonding and complying with statutory requirements;</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>Collating information from the Company's records regarding assets;</li> <li>Liaising with finance companies in respect of assets subject to finance agreements;</li> </ul>

	<ul style="list-style-type: none"><li>• Liaising with agents regarding the motor vehicle(s);</li><li>• Reviewing outstanding debtors;</li><li>• Seeking legal advice in relation to book debt collections;</li><li>• Preparing and issuing a Teaser Document to interested parties;</li><li>• Liaising and negotiating with interested parties;</li><li>• Assisting interested parties with due diligence queries; and</li><li>• Reviewing sale and associated contracts.</li></ul>
Trading	<ul style="list-style-type: none"><li>• Attending to supplier and customer queries and correspondence;</li><li>• Reviewing and raising payments to suppliers;</li><li>• Dealing with ransom creditors;</li><li>• Dealing with employee queries;</li><li>• Discussing the ongoing trading strategy with management;</li><li>• Preparing cash flow forecasts; and</li><li>• Monitoring cash flow to ensure cost effective trading.</li></ul>

## **Appendix 6 – Statement of Creditors' rights**

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)  
Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Daniel Ryan at [Daniel.O.Ryan@Duffandphelps.com](mailto:Daniel.O.Ryan@Duffandphelps.com).

### **Information for Creditors on remuneration and disbursements of Administrators**

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/administration-a-creditors-guide-to-insolvency-practitioner-fees-updated.ashx?la=en-gb&hash=007D99D0FCC2E1AAADA98AA36B09E2D94292DBA9>

(click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office).

### **Creditors' requests for further information**

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including, the Unsecured Creditor making the request) or with the permission of the Court.

### **Creditors' right to challenge our remuneration and expenses**

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Daniel Ryan at [Daniel.O.Ryan@duffandphelps.com](mailto:Daniel.O.Ryan@duffandphelps.com).



## Appendix 7 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended).
the Agents	SIA Group, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	5 February 2020 being the date of appointment of the Joint Administrators
the Bank / HSBC	HSBC Bank Plc, with whom the Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Staveley Head Limited (In Administration) (Company Number: 02802585)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Ashley Peters and Martin Tyler, the Directors of the Company
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
HMRC	HM Revenue and Customs
the Joint Administrators	Sarah Bell and Steven Muncaster of Duff & Phelps
the Solicitors / JMW / Gateley	JMW Solicitors LLP and Gateley Plc, independent third-party solicitors instructed by the Joint Administrators
Kroll	Kroll Associates UK Limited, a division of Duff & Phelps
NDA	Non-Disclosure Agreement
the Purchaser	One Sure Insurance Limited
the Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements

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TUPE

The Transfer of Undertaking (Protection of Employment) Regulations  
2006

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#### **Appendix 8 – Notice about this report**

This report has been prepared by Sarah Bell and Steven Muncaster, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Sarah Bell and Steven Muncaster are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.

## **Appendix 9 – Fees and costs information to Creditors**

## Introduction

Sarah Bell and Steven Muncaster were appointed Joint Administrators of the Company on 5 February 2020.

Following their appointment, the Joint Administrators proposed an initial Fee Estimate of £255,620, however the original Fee estimate has now been exceeded and the Joint Administrators are seeking approval of a Revised Fee Estimate from the Preferential and Unsecured Creditors.

This 'Fees and Costs Information to Creditors' pack has been prepared to provide the creditors with sufficient information to consider the following resolutions:

1. That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing;
2. That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration;
3. That the Joint Administrators' Revised Fee Estimate in the total sum of £404,473 is approved;
4. That the Pre-Administration Costs totalling £11,218 plus VAT as detailed in the Joint Administrators' statement of pre-administration costs is approved for payment as an expense of the Administration; and
5. That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

## Appendices

- |            |   |
|------------|---|
| Appendix 1 | Fee Estimate Narrative  |
| Appendix 2 | Joint Administrators' Revised Fee Estimate for the duration of the Administration |
| Appendix 3 | Analysis of the Joint Administrators' Time Costs incurred to Date                 |
| Appendix 4 | Notice of Business by Correspondence  |
| Appendix 5 | Voting Form   |
| Appendix 6 | Proof of Debt Form  |
| Appendix 7 | Notice of Invitation to Form a Committee  |
| Appendix 8 | Nomination for Membership of a Committee  |

**Appendix 1**

**Fee Estimate Narrative**

**Staveley Head Limited – In Administration (“the Company”)  
Revised Fee Narrative**

Sarah Bell and Steven Muncaster were appointed Joint Administrators on 5 February 2020 (“the Appointment Date”).

**Introduction**

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Proposals which provides further details in relation to the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Revised Fee Estimate and Estimated Expenses of the Administration.

**Estimated Fees and Expenses**

The Joint Administrators propose that their fees will be based on time costs.

As detailed in the Statement of Proposals, the Joint Administrators provided an initial Fee Estimate in the totalling £255,620.

The original fee estimate has now been exceeded and the Joint Administrators are seeking approval from the Preferential and Unsecured Creditors to the Revised Fee Estimate. Details of the additional anticipated time costs and the reasons for these costs are summarised below.

The time now expected to be incurred over the life of the case by the Joint Administrators is shown in the Revised Fee Estimate and totals £404,473, of which £331,337 has already been incurred.

The Preferential and Unsecured Creditors are asked to approve the fee basis (time costs), as well as the Revised Fee Estimate in the total sum of £404,473.

**Estimated Return to Creditors**

**Secured Creditors**

There are no Secured Creditors of the Company.

**Preferential Creditors**

As previously reported, a total of 51 employees were made redundant on the Appointment Date by the Joint Administrators.

The Preferential Creditor claims consist of former employees' claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the DBEIS following payment to the employees by the RPS.

Based on current information, the Preferential Creditor claims are expected to total £22,376.

It is anticipated that there will be sufficient realisations to enable a dividend to the Preferential Creditors of 100 pence in the pound. A notice of intended dividend will be issued to the Preferential Creditors shortly to begin the dividend process.

**Unsecured Creditors**

According to the Company's records, Unsecured Creditors total £9,978,366, with £9,825,289 due to trade and expense creditors, and a further £153,077 due to employees.

Based on the current information available to the Joint Administrators, it is anticipated that there will be sufficient realisations to enable a distribution to the Unsecured Creditors, however the quantum and timing are currently uncertain.

## **Strategy**

### **Administration Trading Period**

As previously reported, upon their appointment the Joint Administrators' representatives attended the trading premises to undertake an immediate review of the Company's financial and operational position.

The decision was taken to continue to trade the Company whilst the Joint Administrators pursued a sale of the business and assets as a going concern. It was considered that should a sale as a going concern can be achieved, asset realisations would be maximised and creditor claims would be minimised.

To ensure a cost-effective trading period, the Company's staff was reduced to a core team of 27 workers that were sufficiently skilled to carry out the key functions of the business. These key functions included, but were not limited to, accounts, sales, compliance and customer services.

During the trading period, the Company continued to service customers whilst inviting renewals and taking on new business where possible.

Commission totalling £207,116 was generated during the trading period and total trading costs of £297,559 were incurred, including a PAYE liability of £85,903 which is yet to be settled.

A full reconciliation of the trading period is being carried out but based on current information a trading deficit of £90,443 was incurred.

The Joint Administrators incurred total time costs of £82,429 in relation to trading activities which included (but was not limited to) the following:

- Overseeing day to day business operations, including discussions with suppliers, insurance providers and policy holders;
- Maintaining and reconciling accounts to ensure efficient trading of the business;
- Making payments to suppliers and insurers as necessary to facilitate ongoing trade and fulfil existing policies;
- Payment of staff wages on a monthly basis;
- Regular meetings with management to ensure efficient trade.

Creditors should note that the decision to continue trading the Company, and the time costs incurred in doing so, allowed the Joint Administrators to complete a successful sale of the business and certain assets as a going concern which in turn has resulted in a better outcome for the creditors than would have otherwise been likely. Further details regarding the sale are provided below.

Trading activities ceased upon completion of the sale of the business and certain assets on 2 April 2020. As such, no further time will be incurred in this regard.

## **Asset Realisations**

### **Sale of Business**

Following the Joint Administrators' appointment, a Teaser Document was prepared, which provided an overview of the business and its financials. The Teaser Document was distributed to 690 interested parties selected from Duff & Phelps' interested party database to market the business and assets of the Company for sale. The interested party database included, but was not limited to, parties within the financial industry, as well as entrepreneurs, lawyers, business advisors and business financiers.

A Non-Disclosure Agreement ("NDA") was issued with the Teaser Document and expressions of interest were requested for 5pm on 13 February 2020.



A total of 33 NDAs were received from interested parties, confirming their interest in receiving further information on the Company. Indicative offers were subsequently requested for 5pm on 19 February 2020.

Three of these parties submitted offers for the business and assets of the Company and a further five parties submitted offers for specific element of the insurance contracts, e.g. motorhomes or taxi only.

The Joint Administrators considered combining a number of the offers received for certain elements of the book; however it was thought that making a sale of the business as a whole would provide maximum realisable value and would reduce claims against the estate should all remaining employees transfer to a purchaser pursuant to TUPE regulations.

A deadline for best and final offers was subsequently set for 5pm on 10 March 2020. Following the passing of the deadline, and a period of negotiations, the Joint Administrators decided to progress with a preferred bidder.

The Joint Administrators began negotiating sale contracts with the preferred bidder, however discussions became protracted due to the impact of the Covid-19 pandemic and UK government restrictions.

On 2 April 2020, the Joint Administrators were able successfully complete a sale of the business and certain assets of the Company to One Sure Insurance Limited for the total sum of £75,000. A breakdown of the sale consideration is provided below:

<u>Asset</u>	<u>£</u>
Business Intellectual Property	1
Computer Systems	36,198
Supplier Contracts	1
Renewal Commissions	2
Equipment	24,055
Goodwill	1
Stock	14,741
Records	1
<b>Total</b>	<b>75,000</b>

It should be noted that the sale excluded any existing policies at the date of completion, therefore the Administration estate will continue to receive the benefit of the Company's commission in relation to those policies. It is anticipated that this will result in the realisations of approximately £360,000.

Total time costs of £56,123 have been incurred in relation to the sale of business. No further time is expected to be incurred in this regard.

#### Cash at Bank

Following the appointment of the Joint Administrators, the sum of £380,806 was received into the Administration estate, representing the credit balance held on the Company's current bank account at the date of appointment.

Nominal time costs of £351 were incurred in respect of obtaining funds from the Company's bankers. No further time will be incurred in this regard.

#### Motor Vehicles

At the Appointment Date the Company owned two unencumbered motor vehicles, as follows:

<u>Make</u>	<u>Model</u>
Mercedes	CLA220 CDI Sport
Audi	A5 Coupe 2.0 TDI

The Mercedes vehicle was driven by an employee who was made redundant upon the Appointment Date. As such, SIA Group ("the Agents") were instructed to assist with the collection and sale of the vehicle. The

Agents collected the vehicle following appointment and achieved a sale of the vehicle for the sum of £8,750 to an unconnected third party.

The Joint Administrators have also agreed a sale of the Audi vehicle to one of the retained employees for the sum of £4,000. The Agents confirmed that this represented fair value for the vehicle and avoided any additional costs for uplift and sale.

Nominal time costs of £627 were incurred in respect of liaising with the Agents. No further time will be incurred in this regard.

### **Investigations**

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role.

This entails a broad level of investigation to ensure that best practice standards are met and the Revised Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

Upon their appointment, the Joint Administrators engaged the services of Kroll Associates UK Limited ("Kroll"), a division of Duff & Phelps, who attended the premises on the Appointment Date to assist with protecting the Company data. All user accounts were immediately disabled whilst a back-up of the in-house customer data was taken. Kroll also obtained a back-up of the external customer database and historic company emails to assist with investigations.

To date, time costs of £34,808 have been incurred in relation to Investigations. This includes the time spent by Kroll in dealing with the above and time spent by the Joint Administrators carrying out their initial review of the conduct of the Company and its directors, as well as completing their statutory report on the same to the Secretary of State.

It is anticipated that further time costs of £26,500 will be incurred in relation to the Joint Administrators' ongoing investigations. Full details of these ongoing investigations cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard.

### **Statutory Compliance**

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond, cashing, accounting and various treasury functions and dealing with the ongoing strategy for the Administration.

Time costs of £135,286 have been incurred to date in dealing with these matters over the course of the Administration.

A significant element of the time already incurred has been incurred under the heading Strategy, Planning and Control, relating to discussions and updates regarding the overall Administration strategy, including trading and sale strategies, as well as discussions with professional advisors regarding the same.

Time has also been incurred under the heading Statutory Matters and relates to drafting the Joint Administrators' Statement of Proposals to Creditors, as well as dealing with all other statutory requirements and liaising with the Financial Conduct Authority to provide regular updates on the Administration.

It is anticipated that further time costs of £36,262 will be incurred in respect of Statutory Compliance matters, the majority of which will relate to the Joint Administrators' ongoing statutory reporting and filing requirements, as required under insolvency legislation:

#### **Creditors and Employees**

The Joint Administrators have incurred, and will continue to incur, time costs in relation to Creditors. This includes (but is not limited to) dealing with the following tasks:

- Dealing with creditor correspondence, emails and telephone conversations regarding claims in the Administration;
- Writing to employees of the Company at key intervals;
- Maintaining up to date creditors information and claims status on the case management system;
- Assisting former employees with the submission of their claims to the Redundancy Payments Service ("RPS") for monies due to them, as well as submitting all relevant information to the RPS to process such claims;
- At the appropriate time, the Joint Administrators will adjudicate and agree Preferential and Unsecured Creditor claims and make payment of dividends where funds allow.

Much of this work has been, and will continue to be dealt with, by more junior members of staff with senior members of the team becoming involved in more problematic situations.

It is anticipated that total time costs of £24,165 will be incurred in respect of dealing with Creditors and Employees, of which £14,639 has already been incurred.

**Appendix 2**

**Joint Administrators' Revised Fee Estimate for the duration of the Administration**

Revised Fee Estimate  
 Staveley Head Limited (In Administration)

Administration - Post Appointment (New)									
Classification of Work Function			Partner	Manager	Senior Hours	Assistant	Support	Total Hours	Avg. Hourly
Admin & Planning									
Case review and Case Diary management	1.00	1.00	1.00	4.00	0.00	0.00	7.00	2,520.00	360.00
Cashiering & accounting	0.00	25.00	80.00	0.00	0.00	130.00	41,750.00	321.15	
Dealings with Directors and Management	3.00	4.00	18.00	8.00	0.00	33.00	12,890.00	390.61	
IPs set up & maintenance	0.00	0.00	0.00	4.30	0.00	4.30	650.00	151.16	
Insurance	0.00	0.00	0.50	0.75	0.00	1.25	337.50	270.00	
Statutory matters (Meetings, Reports and Notices)	10.00	5.00	30.00	70.00	0.00	115.00	38,100.00	331.30	
Strategy planning & control	4.50	55.00	90.00	30.70	0.00	180.20	72,100.00	400.11	
Tax Compliance/Planning	0.00	0.00	5.00	5.00	0.00	10.00	3,200.00	320.00	
Creditors									
Communications with Creditors/Employees	2.50	0.00	30.00	15.00	0.00	47.50	17,075.00	359.47	
Non Pref Creditor claims adjudication and distn	0.00	0.00	2.00	6.00	0.00	8.00	2,280.00	285.00	
Non Pref Creditor/Employee claims handling	0.00	0.00	2.50	8.00	0.00	10.50	2,975.00	283.33	
Pref claims adjudication and distribution	0.00	0.00	1.50	5.00	0.00	6.50	1,835.00	282.31	
Investigations									
CDDA, reports & Communication	3.50	0.00	4.60	14.20	0.00	22.30	6,857.00	307.49	
Financial review and investigations (S238/239 etc)	2.00	15.00	105.00	20.00	0.00	142.00	54,450.00	383.45	
Realisation of assets									
Book debts	0.00	1.00	10.00	3.00	0.00	14.00	5,130.00	366.43	
Freehold & Leasehold Property	1.30	0.00	3.00	4.00	0.00	8.30	3,015.00	363.25	
Other Intangible Assets	0.00	0.00	0.90	0.00	0.00	0.90	351.00	390.00	
Other Tangible Assets	0.00	0.00	0.00	2.60	0.00	2.60	494.00	190.00	
Plant & Machinery & fixtures & Motor Vehicles	0.00	0.00	1.90	0.00	0.00	1.90	627.00	330.00	
Pre-Appointment Tax Reclaims	0.00	0.00	0.00	1.30	0.00	1.30	325.00	250.00	
Sale of Business	12.70	13.90	59.50	83.15	0.00	169.25	56,122.50	331.60	
Trading									
Trading - Accounting	0.00	0.00	0.90	24.00	0.00	24.90	4,857.00	195.06	
Trading - Employees	0.70	0.00	5.00	39.70	0.00	45.40	9,888.00	217.80	
Trading - Insurance	0.00	0.00	0.00	11.00	0.00	11.00	2,540.00	230.91	
Trading - Operations	6.30	0.00	163.10	31.20	0.00	200.60	64,104.00	319.56	
Total Hours	47.50	119.90	559.40	117,725.00	0.00	0.00	1,197.70	404,473.00	
Total Estimated Fees	30,875.00	57,552.00	218,166.00	117,725.00	0.00	0.00			

**Appendix 3**

**Analysis of the Joint Administrators' Time Costs incurred to Date**

## ANALYSIS OF TIME COSTS FOR THE PERIOD 05/02/2020 to 21/08/2020

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	0.00	0.00	2.75	0.00	2.75	522.50	190.00
Cashiering & accounting	0.00	21.30	17.20	67.10	0.00	105.60	31,666.00	299.87
Dealings with Directors and Management	3.00	0.00	13.90	6.50	0.00	23.40	8,616.00	368.21
IPS set up & maintenance	0.00	0.00	0.00	4.30	0.00	4.30	650.00	151.16
Insurance	0.00	0.00	0.50	0.75	0.00	1.25	337.50	270.00
Statutory matters (Meetings & Reports & Notices)	5.80	1.00	21.40	58.65	0.00	86.85	22,833.50	262.91
Strategy planning & control	3.50	49.60	82.40	30.70	0.00	166.20	68,842.00	414.21
Tax Compliance./ Planning	0.00	0.00	3.70	1.50	0.00	5.20	1,818.00	349.62
<b>Creditors</b>								
Communications with Creditors / Employees	2.50	0.00	25.70	9.65	0.00	37.85	13,256.50	350.24
Non Pref Creditors / Employee claims handling	0.00	0.00	1.40	4.40	0.00	5.80	1,382.00	238.28
Secured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Investigations</b>								
CDDA & reports & Communication	3.50	0.00	4.60	14.20	0.00	22.30	6,857.00	307.49
Financial review and investigations (S238/239 etc)	0.00	5.80	76.75	0.00	0.00	82.55	27,950.50	338.59
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	8.90	1.20	0.00	10.10	3,723.00	368.61
Freehold and Leasehold Property	1.30	0.00	2.90	2.40	0.00	6.60	2,534.00	383.94
Other Intangible Assets	0.00	0.00	0.90	0.00	0.00	0.90	351.00	390.00
Other Tangible Assets	0.00	0.00	0.00	2.60	0.00	2.60	494.00	190.00
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.00	1.90	0.00	0.00	1.90	627.00	330.00
Pre-Appointment Tax Reclaims	0.00	0.00	0.00	1.30	0.00	1.30	325.00	250.00
Sale of business	12.70	13.90	59.50	83.15	0.00	169.25	56,122.50	331.60
<b>Trading</b>								
Trading - Accounting	0.00	0.00	0.90	24.00	0.00	24.90	4,857.00	195.06
Trading - Employees	0.70	0.00	5.00	39.70	0.00	45.40	9,888.00	217.80
Trading - Insurance	0.00	0.00	0.00	11.00	0.00	11.00	2,540.00	230.91
Trading - Operations	7.90	0.00	163.10	31.20	0.00	202.20	65,144.00	322.18
<b>Total Hours:</b>	<b>40.90</b>	<b>91.60</b>	<b>490.65</b>	<b>397.05</b>	<b>0.00</b>	<b>1,020.20</b>		<b>324.78</b>
<b>Total Fees Claimed: £</b>	<b>26,585.00</b>	<b>49,295.00</b>	<b>171,080.50</b>	<b>84,376.50</b>	<b>0.00</b>		<b>331,337.00</b>	

**Appendix 4**

**Notice of Business by Correspondence**



## **Insolvency Rules (England & Wales) 2016**

### **Staveley Head Limited (In Administration)**

Company number: 02802585

#### **NOTICE TO CREDITORS OF BUSINESS BY CORRESPONDENCE**

The following proposed decisions will be decided on 18 September 2020 at 23.59 pm (the Decision Date).

The decisions being proposed are:

1. That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing;
2. That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration;
3. That the Joint Administrators' Revised Fee Estimate in the total sum of £404,473 is approved;
4. That the Pre-Administration Costs totalling £11,218 plus VAT as detailed in the Joint Administrators' statement of pre-administration costs is approved for payment as an expense of the Administration; and
5. That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

Voting forms must be received by the Joint Administrator by 23:59 hours on or before the decision date, 16 September 2020. For votes to be counted, creditors (including those creditors whose debt is treated as a small debt as being £1,000 or less and creditors who have opted out from receiving notices) must have delivered a proof of debt in respect of their claim to the Joint Administrators by one of the methods shown below by the same date and time to enable their vote to be considered.

By post to: Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW

By email to: Daniel.O.Ryan@duffandphelps.com

**All voting forms and proofs of debt must be delivered by 23.59 hours on the Decision Date, 18 September 2020.**

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for documents to be delivered to the indicated address by the stated deadline above. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

Creditors may request that the matter to be dealt with at a physical meeting of creditors. The threshold for such a request is any of the following:

- (a) 10% in value of the creditors
- (b) 10% in number of the creditors
- (c) 10 creditors

The Joint Administrators must receive such a request by 3 September 2022, being no later than five business days after the deemed receipt by creditors. The Administrator must convene a physical meeting no later than three business days after sufficient requisitions are received.

## **Insolvency Rules (England & Wales) 2016**

Nothing in this notice precludes opted out creditors from requisitioning a physical meeting, voting or requesting further information.

Creditors can appeal to the court on a decision of the Joint Administrators no later than 21 days after the Decision Date.

### **Contact details:**

Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Telephone: 0161 827 9000

Email address: Daniel.O.Ryan@duffandphelps.com



Signed: .....  
Sarah Bell – Joint Administrator

Date: 25 August 2020

**Appendix 5**

**Voting Form**

**Staveley Head Limited (In Administration) ("the Company")**

**Company Number: 02802585**

**Name:**

**Address:**

**Resolutions**

1. That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing; \*For/Against
2. That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration; \*For/Against
3. That the Joint Administrators' Revised Fee Estimate in the total sum of £404,473 is approved; \*For/Against
4. That the Pre-Administration Costs totalling £11,218 plus VAT as detailed in the Joint Administrators' statement of pre-administration costs is approved for payment as an expense of the Administration; and \*For/Against
5. That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"). \*For/Against

This form must  
be signed

**Signature .....** **Date .....**

**Name in CAPITAL LETTERS**

\_\_\_\_\_

Only to be  
completed if the  
creditor has not  
signed in person

**Position with creditor or relationship to creditor or other authority for signature**

.....

Once a vote has been cast, it cannot be changed

To vote please send this completed form together with a proof of debt if you have not already lodged one, to the Joint Administrators as follows:

By post to: Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW.

or by email to: Daniel.O.Ryan@duffandphelps.com

**Voting forms and proofs of debt to be received on or before 23:59 hours on 18 September 2020 (Decision Date).**

**Appendix 6**

**Proof of Debt Form**

**PROOF OF DEBT - GENERAL FORM**

Staveley Head Limited - in Administration Company Registration No. 02802585	
Date of Administration: 5 February 2020	
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)
2.	Address of Creditor for correspondence
	Contact telephone number of creditor
	Email address of creditor
	REF
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25
4.	Details of any documents by reference to which the debt can be substantiated (please attach)
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7.	Particulars of any security held, the value of the security, and the date it was given
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates
9.	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	DATE
	Are you the sole member of the creditor?
	YES / NO
	Position with or in relation to creditor
	Address of person signing (if different from 2 above)
	Admitted to vote for £
	Admitted for dividend for £
	Date
	Date
	Administrator
	Administrator

**Appendix 7**

**Notice of Invitation to Form a Committee**

**Staveley Head Limited (In Administration)**

Company number: 02802585

**NOTICE OF INVITATION TO FORM A COMMITTEE**

The primary purpose of a Committee is to assist the Administrators in fulfilling their duties.

Further detail on the rights, duties and the functions of the Committee can be found here:

<https://www.duffandphelps.co.uk/assets/pdfs-international/uk/a-guide-for-creditors.pdf>

This is a link to the R3 (Association of Business Recovery Professionals) booklet '**Administration / Creditors' Committees and Commissioners: A Guide for Creditors**' issued in conjunction with the Recognised Professional Bodies.

This notice is an invitation to creditors to decide whether a Committee should be established if sufficient creditors are willing to be members of the Committee.

Nominations are therefore invited for membership of the Committee: if you wish to be considered please complete the attached **Nomination for Membership of the Committee** form.

Nominations (plus a completed Proof of Debt if not already provided) must be delivered to:

Sarah Bell  
Joint Administrator  
Duff & Phelps Ltd  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW

Email: Daniel.O.Ryan@duffandphelps.com

**By 18 September 2020**

Nominations will only be accepted if the Joint Administrator is satisfied as to the creditor's eligibility.

Therefore, the creditor must have submitted a Proof of Debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes, or the proof has not been wholly rejected for the purpose of distribution or dividend.



Signed: .....  
Sarah Bell  
Joint Administrator

**Dated: 25 August 2020**



**Appendix 8**

**Nomination for Membership of a Committee**

# Nomination for Membership of the Committee\* and Consent to Act

**Staveley Head Limited (In Administration)**

Company registration number: 02802585

A Creditor can act in person as a Committee member or appoint a representative to act on their behalf on the Committee.

## PART A: Creditor details

..... (Name of creditor),

consent to act as a member of the Committee in respect of Staveley Head Limited – In Administration

Address of Creditor: .....

.....

Reference: .....

I consent further to Committee business being conducted by electronic communication as and when appropriate and for this purpose my/my representative's designated email address is:-

.....  
(leave blank if consent is not given)

## Part B: Creditor's Representative

The following person is duly authorised by proxy to act as the creditor's representative on the Committee:

Name of Representative: .....

Address of Representative: .....

.....

.....

Signature of Representative: .....

Representative's Tel: .....

Signature of Creditor or authorised person.....

Name in block letters..... Date.....

Position or relationship with creditor/other authority for signature

.....

\* A Committee is a

- Creditors' Committee in an Administration, an Administrative Receivership, and a Bankruptcy
- Liquidation Committee in a Creditors' Voluntary Liquidation and a Winding Up by the Court