

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 03592213

Company name in full HB Financial Solutions Ltd

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts, Manchester

Court number 23502018

3 Administrator's name

Full forename(s) Daniel James Mark

Surname Smith

4 Administrator's address

Building name/number 1 New Street Square

Street

Post town London

County/Region

Postcode EC4A 3HQ

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Daniel Francis		① Other administrator Use this section to tell us about another administrator.
Surname	Butters		
6		Administrator's address ②	
Building name/number	1 New Street Square		② Other administrator Use this section to tell us about another administrator.
Street			
Post town	London		
County/Region			
Postcode	E C 4 A 3 H Q		
Country			
7		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature 		
Signature date	d 0 9 m 1 0 y 2 0 2 0		

**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 **Aaron Banks**

Company name **Deloitte LLP**

Address **Four Brindleyplace
Birmingham**

Post town **B1 2HZ**

County/Region

Postcode

Country

DX

Telephone **+44 121 632 6000**

**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



**One Advice Limited ("OAL")
HB Financial Solutions Limited ("HBFSL")
(both in administration)
(together "the Companies")**

Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Daniel James Mark Smith and Daniel Francis Butters ("the Joint Administrators") were appointed Joint Administrators of the Companies on 11 April 2018 by the Directors of the Companies. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

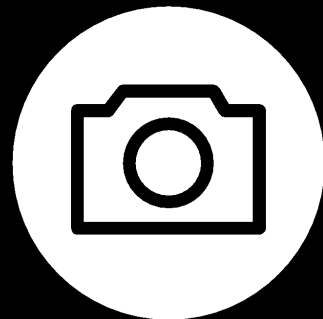
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

09 October 2020



Key messages



Key messages

Joint Administrators of the Companies

Daniel James Mark Smith
Deloitte LLP
2 Hardman Street
Manchester
M60 2AT

Daniel Francis Butters
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Contact details

Email: @deloitte.co.uk

Website:

Tel: 0121 695 5827



Commentary

- The purpose of the administrations was to achieve a better result for the Companies' creditors as a whole than liquidations.
- The Companies ceased trading on 11 April 2018 following the pre pack sale of the business and assets of the Companies. Further details can be found in our SIP 16 Statement dated 18 April 2018, a copy of which can be viewed on www.deloitte.com/uk/oneadvice.
- All employees transferred to Gregory Pennington Ltd, Freeman Jones Ltd and All About Money Ltd which are all part of Think Money Group ("the Purchaser").
- Funds of £21m in respect of the sale were received from the Purchaser upon completion. A further contingent deferred consideration, totalling c.£5.5m was received as detailed on page 6.
- Funds totalling £1.8m were received into OAL during the report period in respect of deferred consideration, this sum was allocated £0.8m to OAL and £1m to HBFSL.
- Our fee basis was fixed as a set amount of £251k for OAL and £75k for HBFSL. A subsequent increase to the set fee in OAL, to £351k, was approved by the secured creditors on 2 April 2020.
- No disbursements have been incurred in the report period. Please refer to page 15 for further details.
- Third party costs of £88k have been incurred across the Companies in the report period bringing total third party costs to £176k. Please refer to pages 8 and 9 for further details.
- The first ranking secured creditor, PNC Financial Services UK Ltd ("PNC"), was paid in full (c.£19.5m) during the administration.
- The second ranking secured creditors, the holders of secured Loan Notes ("LN") (being, 88.7% held by RJD Partners Ltd ("RJD"), 9.1% held by F&C Private Equity Trust Ltd ("F&C") and 2.2% held by management) were paid c.£3m, leaving a shortfall of c.£33m due to insufficient asset realisations.
- There were no preferential creditors in the administrations as all employees transferred to Purchaser entities on the date of our appointment.
- Unsecured creditors were not paid a dividend due to insufficient asset realisations.
- The administrations were extended to 10 April 2020 by consent of the secured creditors on 18 February 2019.
- A further extension to the administrations to 10 October 2020 was requested and received from the Court on 24 March 2020.
- The extensions were obtained to enable collection of the sale of business deferred consideration.
- Please refer to page 6 for further details.

Summary Proposals

Our Proposals for the administrations included:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses;
- assessing the affairs of the Companies and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or its management;
- continuing with enquiries into the conduct of the directors of the Companies and continuing to assist any regulatory authorities with any investigation into the affairs of the Companies;
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured Creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administrations.
- that, if the Companies are to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the secured creditors was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to page 14 for details.



Summary Proposals Steps taken

Our Proposals were deemed approved on 30 April 2018 following the expiration of eight business days from the date of issue of our Proposals in accordance with rule 3.38(4) of the Rules.

Extensions to the administrations

The administrations were extended for a period of 12 months by the Secured Creditors on 18 February 2019 to enable collection of the sale of business deferred consideration.

A further extension of six months was obtained from the Court on 24 March 2020 to enable collection of the final deferred consideration amounts.

Statutory tasks

During the period of our appointments we carried out the following tasks which primarily related to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case set-up and management;
- statutory reporting;
- appointment notifications;
- correspondence;
- reporting on the directors' conduct;
- cashiering functions;
- closing preparation; and
- preparation and submission of VAT and Corporation Tax returns and associated correspondence with HM Revenue & Customs ("HMRC")

These tasks were a necessary part of the engagements but did not generate any direct financial benefit for creditors.

Sale of business

The business and assets of the Companies were sold on 11 April 2018 to Gregory Pennington Ltd, Freeman Jones Ltd and All About Money Ltd, which are all part of Think Money Group.

Consideration of £21m was received upon completion. Additional sales consideration was due by way of a conditional payment of £7.5m to be paid on a contingent and deferred basis over two years with accrued interest of 5% per annum (up to an additional £575k). Payment of the deferred consideration was subject to certain conditions as detailed in our Proposals dated 18 April 2018.

The allocation of the total consideration (£21.0m upfront cash, £7.5m deferred and contingent, and 5% p.a. interest on the deferred consideration) was as follows:

- OAL - £22.0m plus interest (£16.5m on completion plus £5.5m contingent and deferred plus related interest);
- HBFSL - £6.0m plus interest (£4.0m on completion plus £2.0m contingent and deferred plus related interest); and
- Open Door (Legal Services) Limited (another company in the same group) - £0.5m on completion.

Total contingent deferred consideration and interest was calculated as c.£5.5m which was received in full during the administration. Of this, £1.8m was received during the report period.

All proceeds from the sale of business were fixed charge realisations and therefore available for distribution to the Secured Creditors after costs.



Summary Proposals Costs

Licence to occupy

The Companies operated from a leasehold property and a licence to occupy was granted to the Purchaser for two months for use of the property.

Funds totalling £225k plus VAT were received into HBFSL from the Purchaser in respect of the licence to occupy agreement and we incurred costs of £214k. The remaining funds of £11k were refunded back to the Purchaser following a final reconciliation.

For further details please refer to the HBFSL receipts and payments account on page 8.

Recovery of Escrow funds

A £75k balance was being held in escrow in relation to a legacy transaction completed by OAL. These funds were received during the report period.

Assets and Investigations

No further avenues of recovery were identified as result of our investigations.

Distributions to creditors

The first ranking secured creditor was paid in full.

There were insufficient realisations for the second ranking secured creditors to be paid in full, as discussed in detail on page 11.

There were insufficient realisations for any distributions to the unsecured creditors.

There were no preferential creditors.

Unrealised assets

There are no unrealised assets in either of the Companies.

We have summarised below details of third party costs and expenses incurred during the report period and for the period of our appointment.

DLA Piper (UK) LLP, a firm of lawyers were instructed to assist with the licence to occupy, deferred consideration discussions, administration extensions and general case advice.

DLA's costs in the period were £88.9k with expenses of £650 in each company, all plus VAT. This was split as follows:

- £50.2k in OAL; and
- £38.7k in HBFSL.

In OAL these fees were further to fees of £55.2k and expenses of £11 paid prior to the report period.

The Joint Administrator's remunerations are detailed on page 14.

All costs have been paid, as shown in the receipts and payments account on pages 8 and 9.

All professional costs were reviewed and analysed in detail before payment was approved.



Progress of the administration

Receipts and payments

Joint Administrators' final receipts and payments account 11 April 2020 to 6 October 2020

Fixed Charge Receipts			
Intellectual property, customer list, debts, equipment, goodwill, IT, WIP, DSS contracts and ASU contracts	6,000,000	-	9
Contracts and Contract Data	-	-	3,999,991
Deferred Consideration and Interest	-	1,000,000	1,131,748
Licence to occupy funds	-	485	225,251
Bank Interest Gross	-	1	1,531
	<u>6,000,000</u>	<u>1,000,389</u>	<u>5,358,530</u>
Fixed Charge Payments			
Pre appt Administrators' fees		-	20,000
Administrators' Fees		33,000	75,000
Administrators' Expenses		-	372
Legal Fees		38,711	38,711
Legal Expenses		650	650
VAT		16	16
Storage Costs		79	79
Postage & Redirection		-	303
Licence to occupy	485	-	213,669
Refund of licence to occupy funds		11,582	11,582
Bank Charges		-	9
Distribution to PNC		-	3,717,825
Distribution to LNH's	6	1,280,651	1,280,651
		<u>1,364,689</u>	<u>5,358,867</u>
Fixed Charge Balance		<u>(364,300)</u>	<u>(336)</u>
Floating Charge Receipts			
Pre appointment bank account sweep	37,953	-	336
Wage control	<u>3,206</u>	-	-
	<u>41,159</u>	-	<u>336</u>
Floating Charge Balance		-	<u>336</u>
Balance		<u>(364,300)</u>	<u>-</u>
Balance in hand			<u>-</u>

Rounding note

In preparing this report and the one on the following page, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

A receipts and payments account is provided opposite for HBFS and on page 9 for OAL, detailing the transactions in the final periods of the administrations since our last report period ended 10 April 2020, and also summarising the transactions for the entire period of the administrations.

Notes to receipts and payments account

The notes below and on the next page relate to both of the receipts and payments accounts shown on this and the next page. The notes have not been duplicated across the following page.

1 – All funds were held in an interest bearing account. The associated corporation tax on interest received has been accounted for to HMRC.

2 – All sums are shown net of VAT, which has been accounted for to HMRC.

3 – Funds have been paid into OAL's bank account in error, these funds do not form part of the assets of the Companies and have been refunded.

4 – The Companies operated from a leasehold property. A license to occupy was granted to the Purchaser for 2 months and funds were received accordingly. The remaining funds have been re-paid to the Purchaser.

5 – Funds totalling c.£270k (c.£225k plus VAT) were received into OAL from the Purchaser in respect of the license to occupy agreement. However, as the license agreement is between HBFS and the Purchaser the gross funds of c.£270k were transferred from OAL to HBFS. In the HBFS receipts and payments account this is shown as the net c.£225k receipt, the VAT element of £45k has been accounted for to HMRC.



Progress of the administration

Receipts and payments



Joint Administrators final receipts and payments account 11 April 2020 to 6 October 2020

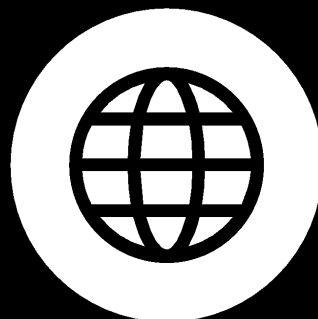
Fixed Charge Receipts			
IP, Customer List, Equipment, Goodwill, IT and WIP		-	6
Deferred Consideration and Interest		800,000	4,407,147
Completion Funds - Debts	22,084,216	-	12,610,322
Contracts and Contract Data		-	3,889,672
Bank Interest Gross		1	4,756
Deferred Consideration HBFS Share		1,000,000	1,000,000
Bank charges refund		-	76
Funds received from ODLS		129,470	129,470
	22,084,216	1,929,470	22,041,448
Fixed Charge Payments			
Distribution to PNC		-	18,903,721
Administrators' Fees		66,524	206,025
Administrators' Expenses		-	245
Pre-appointment Legal Fees		-	204,040
Pre-appointment Legal Expenses		-	4,081
HBL - Pre-appointment Fees		3,000	3,000
HBL - Administrators' Fees		7,000	9,000
HBL - Administrators' Fees		2,190	2,190
Deferred consideration to HBFS		1,000,000	1,000,000
Distribution to LNH's		6	1,709,146
		2,787,860	22,041,448
Fixed Charge Balance		(858,390)	-
Floating Charge Receipts			
Lifeboat Funds		7	75,446
Bank Interest Gross		1	4,812
Pre-appointment bank account sweep	309,891	-	254,240
Licence funds from DLA		5	270,301
Funds received in error		3	138,355
	309,891	80,258	745,594
Floating Charge Payments			
Payment of licence funds to HBFS		5	270,301
Administrators' Fees		144,975	144,975
Pre-appointment Administrators' fees		-	36,621
Pre-appointment Legal Fees		-	36,000
Legal Fees		50,195	105,385
Legal Expenses		650	661
Payment of funds received in error		3	138,355
Storage Costs		2	2
Postage & Redirection		-	1,212
Statutory Advertising		-	169
Insurance of Assets		-	11,844
Bank Charges		22	69
		195,844	745,594
Floating Charge Balance		(115,587)	-
Balance		(973,977)	-
Balance in hand			-

Notes to receipts and payments account (contd.)

6 – Final distributions were paid to second ranking secured creditors; the Loan Note Holders and split based on their ownership percentages, being, 88.7% held by RJD Partners Ltd ("RJD"), 9.1% held by F&C Private Equity Trust Ltd ("F&C") and 2.2% held by management.

7 – The £75k balance was being held in escrow in relation to a legacy transaction completed by OAL. These funds were received during the report period.

Information for creditors



Information for creditors

Outcome for creditors

The Companies, together with other entities in the same group (One Advice Group Limited and its subsidiaries), were funded by a combination of a £19.5m RCF facility with PNC (first ranking secured creditor) and £36m of LN (second ranking secured creditors).

The PNC facility was secured by way of an assignment of the debt management plan ("DMP") cases and payment protection insurance ("PPI") claims, fixed charges over individual voluntary arrangement ("IVA") cases and a floating charge debenture and cross guarantees. The PNC charges were registered on 11 June 2011 and 27 July 2012.

Following the sale on 11 April 2018 the first ranking secured creditor was repaid in full.

The second ranking secured creditors were the Loan Note Holders. The LNs were secured by way of an assignment over DMP, IVA and PPI cases and fixed charge security over IVA cases. The LNs are also secured by a second ranking debenture secured across the group companies.

The Loan Note Holders were distributed £1.3m from HBFS and £1.7m from OAL, leaving a shortfall of c.£33m for the second ranking Secured Creditors. The distributions were split across the note holders based on ownership percentages, as follows: 88.7% held by RJD Partners Ltd ("RJD"), 9.1% held by F&C Private Equity Trust Ltd ("F&C") and 2.2% held by management.

There were no preferential creditors in the administrations.

Insufficient funds were realised to enable a dividend to be paid to unsecured Creditors.

As the Companies have no property for distribution to their creditors, the appropriate Notices will be filed at Companies House to enable the Companies to move from administration to dissolution. The Companies will be deemed to be dissolved three months after the Notices are registered.



**Information for
creditors**
Statutory information

Statutory information

Registered office	Four Brindleyplace, Birmingham, B1 2HZ	Four Brindleyplace, Birmingham, B1 2HZ
Company number	05394623	03592213
Date of appointment	11 April 2018	11 April 2018
Court reference	2349 of 2018	2350 of 2018
Court	High Court of Justice, Business and Property Courts, Manchester	High Court of Justice, Business and Property Courts, Manchester



Remuneration and expenses

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales.

Should you require a paper copy, please send your request in writing to us at the address on page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 23 May 2018 by the secured creditors as a set amount of £251k in OAL and £75k in HBSFL, plus VAT thereon.

Review of the fee basis

In accordance with rule 18.29, we subsequently sought to change the basis of our remuneration as there had been a material and substantial change in the circumstances that were taken into account when originally fixed.

Accordingly, on 2 April 2020 the secured creditors approved a revised set fee in OAL of £351k plus VAT.

Correction of pre-appointment fees - OAL

Please note that pre-appointment Administrators' fees of £36,621 were paid prior to the report period, following obtaining approval from the secured creditors. However, in the Proposals OAL pre-appointment Administrators' fees were incorrectly stated as £10k.

Fees Drawn during the administration

The Joint Administrators have drawn the following remuneration from each estate (as can be seen in the receipts and payments accounts on page 8 and 9):

- HBSFL - £75k
- OAL - £351k

Please note that £9k and £2.2k has been paid from OAL in respect of the outstanding remuneration for HBL and HBG respectively, as agreed with the secured creditors.



Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Our disbursements are in line with estimates provided in the Proposals and are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estate and was given by the secured creditors on 23 May 2018.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointments. There is only one charge for the entire group and this cost has been assigned to OAL.

OAL - Category 1 disbursements

Bonding	230	-	230	230	-
Travel	200	-	15	15	-
Stationery	20	-	8	-	8
Total disbursements	450	-	253	245	8

OAL - Category 2 disbursements

Website set up	500	-	500	-	500
Total disbursements	500	-	500	-	500

HBFSL - Category 1 disbursements

Bonding	230	-	230	230	-
Postage	100	-	142	142	-
Total disbursements	330	-	372	372	-

Our disbursements have been partially recovered and the balance has been written off.

Any secured creditors or unsecured creditors (with the support of at least 5% in value of the unsecured Creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditors or unsecured creditors (with the support of at least 10% in value of the unsecured Creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



Deloitte

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