

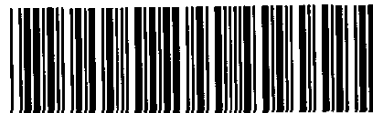
AM06

Notice of approval of administrator's proposals



Companies House

TUESDAY



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05/05/2020

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COMPANIES HOUSE

1 Company details

Company number 0 4 0 5 6 5 4 4

Company name in full Progress to Excellence Limited

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

2 Court details

Court name Manchester County Court

Court case number 0 0 0 2 1 2 2 0 2 0

3 Administrator's name

Full forename(s) Stephen Gerard

Surname Clancy

4 Administrator's address

Building name/number C/o Duff and Phelps Ltd.

Street The Chancery

Post town 58 Spring Gardens


County/Region Manchester

Postcode M 2 1 E W

Country

AM06

Notice of approval of administrator's proposals

5 Administrator's name ●		Other administrator Use this section to tell us about another administrator.
Full forename(s)	Steven	
Surname	Muncaster	
6 Administrator's address ●		Other administrator Use this section to tell us about another administrator.
Building name/number	C/o Duff and Phelps Ltd.	
Street	The Chancery	
Post town	58 Spring Gardens	
County/Region	Manchester	
Postcode	M 2 1 E W	
Country		
7 Date administrator(s) appointed		
Date	d 0 2 m 0 3 y 2 0 y 2 0	
8 Date statement of proposals delivered to creditors		
Date	d 1 7 m 0 4 y 2 0 y 2 0	
9 Date proposals were deemed to be approved		
Date	d 0 1 m 0 5 y 2 0 y 2 0	
10 Sign and date		
Administrator's signature	Signature X  X	
Signature date	d 0 1 m 0 5 y 2 0 y 2 0	

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Presenter information

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

Contact name **Charlie Graham**

Company name **Duff & Phelps Ltd.**

Address
35 Newhall Street
Birmingham

Post town **B3 3PU**

County/Region

Postcode

Country

DX

Telephone **+44 (0) 121 214 1120**



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Please make sure you have remembered the following:

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



Important information

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



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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



DUFF & PHELPS

Statement of Proposals

17 April 2020

Progress to Excellence Limited (In Administration)

*Joint Administrators' Statement of Proposals for the period from 2 March
2020 to 17 April 2020*

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

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1. Introduction

The Joint Administrators were appointed by the Directors on the Appointment Date by an order of the High Court in Manchester, Companies Court number 000212 of 2020. The application to the court was made by the Directors of the Company.

This report is the Joint Administrators' statutory Statement of Proposals and Report to Creditors. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.

You will find other important information in this report such as the proposed basis of the Joint Administrators' remuneration.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 10.

Please also note that an important legal notice about this statement of Proposals is attached at Appendix 11.

These Proposals are deemed delivered to Creditors within 2 business days of the date of this report.

2. Creditor Summary

Background

The Company was incorporated on 21 August 2000 and was previously registered as NVQ Training & Consultancy Services Limited until 2 February 2012 whereby the current company name commenced.

The Company offered education programmes, training courses, apprenticeship programmes and funding to students and adult learners across England.

The Company's is 100% owned by Progress to Excellence Group Limited (Company Registration Number 07850344) who in turn are 100% owned by Progress to Excellence Holdings Limited (Company Registration Number 11266462).

The Company's shareholder and immediate parent, Progress to Excellence Group Limited continue to trade from 1 Mann Island, Liverpool, L3 1BP. The Company has one connected director in Sandra Kirkham.

Events Leading up to Administration

An Ofsted inspection is a significant event in the training & education sector and has seen the demise of a number of providers so preparation for the Company's Ofsted re-inspection had been underway since January 2019.

Following the 4 day Ofsted inspection commencing on 11 December 2019, the Company accredited with a reduction in its Ofsted grading from good to inadequate, which led to adverse impacts on the Company's ability to trade as a training provider and ultimately, led to the Administration of the Company.

Appointment

Stephen Clancy and Steven Muncaster of Duff & Phelps were appointed as Joint Administrators of the Company on 2 March 2020 at the High Courts of Justice, Manchester County Court, court reference 000212 of 2020.

Asset Realisations

As at the Appointment Date, the Company held cash at bank of £159,448, at Santander. These funds have now been transferred to the Joint Administrators' estate bank account.

Fees and Expenses

It is proposed that the Joint Administrators' fee basis be based on time costs. The time costs already charged prior to and since the Appointment Date are analysed at Appendix 4. Time is charged in six-minute units.

The estimated time costs to be incurred over the life of the case is shown in the 'Fee Estimate' at Appendix 5.

Dividends

At this point, it is expected that a distribution shall be made to the Preferential Creditors. The quantum of the dividend payable is not yet known.

Any distributions to other categories of creditors will be reliant on further realisations being received.

The provisions of the Prescribed Part shall apply.

Anticipated Exit from Administration

At this stage the Joint Administrators anticipate that the most likely exit route will be to put the Company into dissolution.

Approval of Proposals

The Joint Administrators' Proposals will be deemed approved and a creditors decision on the approval of these Proposals will not be sought as the Joint Administrators believe the Company will have insufficient property to enable a distribution to be made to the Unsecured Creditors, other than by virtue of the Prescribed Part, if any, as detailed in Section 7 of this report.

This document in its entirety is the Joint Administrators' Statement of Proposals. A summary list of the Proposals is included in Section 9 of this report, together with the relevant statutory information by way of appendices. Unless otherwise stated, all amounts in these Proposals are stated net of VAT.

3. Background

Statutory information on the Company is included at Appendix 1.

The Company was incorporated on 21 August 2000 and was previously registered as NVQ Training & Consultancy Services Limited until 2 February 2012.

The Company's immediate and ultimate parent is Progress to Excellence Group Limited.

The Company operated from leasehold premises at G8 Pacific Road, Birkenhead, Merseyside, CH41 1LJ. Trading was also undertaken from premises in Units 3 & 6, The Business Courtyard, Trudoxhill Frome BA11 5DL and at 148 High Street, Rishton, Blackburn BB1 4LD.

The Company offered education programmes, training courses, apprenticeship programmes and funding to students and adult learners across England.

The Company had seen a reduction in employees since March 2018 from 140 to 110 employees as at the Appointment Date.

The Company granted two fixed and floating debentures over the Company's assets to Praesidian delivered at Companies House on 22 May 2018 and 24 May 2018. Prior to the Appointment Date, Praesidian agreed to transfer their interest in the security held to Global. It is understood that Global now hold the interest in the security held against the Company. This will be reviewed by the Joint Administrators prior to any distribution being undertaken to the Secured Creditor.

It should also be noted that the Companies House records do not reflect this change of ownership of the security held against the Company. I am advised that Companies House do not amend changes in the security documents.

The Company banked with Santander with whom it had no known lending facility.

The Company's shareholder and immediate parent is Progress to Excellence Group Limited who continue to trade from 1 Mann Island, Liverpool, L3 1BP. The Company has one shared director in Sandra Kirkham.

4. Events Leading up to the Administration

4.1 Summary of Key Events

The Company was a medium sized apprenticeship and adult learner provider and held an Ofsted grade 2 provider status (Good) since November 2015.

An Ofsted inspection is a significant event in the training & education market and has seen the demise of a number of providers so preparation for the Company's Ofsted re-inspection had been underway since January 2019. This preparation work included:

- IT consultants engaged to use success rate data;
- Audit & compliance testing;
- Mock Ofsted inspection (2 Ofsted Inspectors);
- Investment of circa £100,000 in the curriculum team;
- Board activity – additional support from chair to head of quality; and
- CPD (Continuing Professional Development) through fellowship of inspection nominees.

In October 2019 the Directors advised that a data issue became apparent resulting in the removal of learners from the learning roll. This impacted on both revenue through contract payback and future earning potential. This was processed in the funding claim to the ESFA on 20 November 2019 resulting in payback of circa £460,000. The removal of these learners also impacted significantly on the learner success data which is used by the ESFA and Ofsted as a flag for issues with providers.

As this created a cash issue, additional funds were sought from investors and additional investor funds were secured on 27 November 2019 to normalise trade.

On 9 December 2019, Ofsted notified that they would be re-inspecting the Company on 11 December 2019. This inspection subsequently resulted in a grade four result of inadequate

The outcome of this result was that the Company were unable to take on-board any new apprenticeship learners from the publication date of the Ofsted report commencing 13 January 2020

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for a period of three years and also resulted in contract withdrawn from the ESFA for adult learning loans for which a contractual requirement is to be a grade 2 Ofsted learning provider.

The impact of the above was a significant reduction in revenue across a 12 month period of c.£550,000 per month. Modelling showed that the Company would experience a continual cash flow drain with the reducing revenue profile not being sufficient to support the infrastructure needed to deliver the services. Whilst there was some commercial revenue, there was not enough to support the infrastructure of the Company through the short to medium term.

With the projected turnover loss of the Company detrimentally affecting the solvency and ability to trade on, the Directors reported the circumstances to its shareholders and investors with a view to either inject further funds or to look at the insolvency options. With the decision of stakeholders to not contribute any further funding, the Directors contacted the Company's professional advisors and held an initial meeting on 22 January 2020 to discuss the options available to the Company.

On 27 February 2020, the ESFA cancelled the contracts with the Company with immediate effect due to the impending insolvency proceedings.

4.2 Actions Prior to Appointment

In order to manage and mitigate the situation a number of actions then took place. The collective impact to recover the situation was not enough as the ESFA chose to withhold funding earned. This ultimately resulted in the filing of the Company into Administration. These actions included;

- Discussions with funding body ESFA to understand full implications. This suggested that in order to deliver apprenticeships in the future it would be better delivered through another company as a grade four negates re-approval to the register of apprenticeship training providers for a three-year period;
- Ceasing of all non-essential spending;
- All staff placed on notice of redundancy; and
- Potential alternative providers identified to enable transfer of learners and TUPE of staff, where appropriate.

4.3 Pre-Administration Work

A summary of the work undertaken in the period prior to the Administration is set out below.

Duff & Phelps provided advice on exit strategies and insolvency processes detailing the advantages and disadvantages of all options. Duff & Phelps also considered the viability of a pre-packed sale of the business however it was decided that due to the Ofcom inspection downgrading of the business from good to inadequate, it was considered that this was not a viable option given that there was no recourse to have the grading reversed and the good grading was essential for the continued its business as an independent training provider

In addition to strategic planning for the Administration, the Joint Administrators were in contact with the ESFA together with the Directors to help expediate the transition of the learners to new training providers. Telephone conference calls were held with the ESFA and data storage providers to try to provide learner with orderly access to their training course data and study material held. Also to ensure that new training providers were found and required information was relayed to them from the Company records.

The Joint Administrators are satisfied that the work carried out by Duff & Phelps prior to their appointment, including the pre-Administration work detailed above, has not created a conflict of interest or threat to our independence.

4.4 Appointment of Joint Administrators

As a result of the financial position of the Company, the Directors sought independent advice and subsequently instigated insolvency proceedings.

The source of the Administration was an initial introduction from A2E Industries Ltd who were a investor in the Company and the former corporate director as A2E Capital Partners Ltd.

On 22 January 2020, Stephen Clancy and Steven Barry of Duff & Phelps met with the Directors to discuss the financial position of the Company. At this meeting the Directors advised Duff & Phelps that the Company had seen its Ofsted rating drop from good to inadequate and were facing staffing issues in being able to provide the necessary levels of service to its apprentices and learners.

Following this meeting it was concluded that the Company was unable to pay its debts as and when they fell due and was consequently insolvent.

Duff & Phelps again met with Directors on 31 January 2020 and discussed the various options available to the Company and the Directors, giving advice on each process. These options included a further injection of capital by stakeholders or outside investors, Administration, Liquidation by court or via a creditors' decision process and Company Voluntary Arrangement

Following this meeting, the Directors in consultation with the Company's key stakeholders advised that they wished to place the Company into Administration as it was necessary to cease trading, due to its insolvent position.

The Joint Administrators considered their position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

Stephen Clancy and Steven Muncaster of Duff & Phelps were appointed as Joint Administrators of the Company on 2 March 2020 at the High Courts of Justice, Manchester County Court, court reference 000212 of 2020.

5. Strategy and Progress of the Administration to Date

5.1 Purpose of the Administration

The purpose of an Administration is to achieve one of the following hierarchical objectives:

- Rescuing the company as a going concern, or
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

In the absence of a buyer for the Company as a going concern, there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

Based on current evidence, it is likely that the third hierarchical objective will be met in the Administration.

The Joint Administrators' Proposals for achieving the purpose of the Administration are set out in the remainder of this report

5.2 Progress of the Administration

The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed, are set out below.

5.2.1 Initial Actions

It was not possible to trade the Company through a period of Administrators trading as the Company was not able to reverse the downgrading of the Ofsted report and thus, was unable to provide any further learner services.

The Joint Administrators have carried out the statutory matters as required following their appointment as Administrators.

The Joint Administrators have been in regular contact with the employees and the RPS regarding the redundancy entitlements and information required by the employees to complete their claims.

Assistance has also been provided to learners and training providers to enable course information and learner data to be accessed and for training providers the ability to transfer the learners across from the Company.

Contact has continued to be made with the ESFA in regards to the investigation work being carried out by them and the Joint Administrators in order to clarify the prior data that has been communicated between the ESFA and the Company in order to establish an accurate account of learner placements and the funding received by the Company from the ESFA. This is important to reconcile any balances of funds potentially due to the Company for the benefit of the creditors, or to clarify if a debt is due to the ESFA. These investigations continue

The Joint Administrators retained the services on a key employee to assist in the collation of information and the ongoing communication with the ESFA for reconciliation and administrative matters and also for assistance with learner queries and the communication of essential information to them and the new training providers.

5.3 Asset Realisations

Assets realisations to date and the strategy on further realisations are shown below and within the Joint Administrators' Receipts and Payments Account at Appendix 2.

On Appointment of the Joint Administrators, the Agents were instructed to carry out an inventory and valuation of the Company's chattel assets

5.3.1 Cash at Bank

As at the Appointment Date, the Company had cash at bank of £159,448 held at Santander. These funds were requested by the Joint Administrators from Santander and have now been received into the Administration bank account

5.3.2 VAT Refund

The Company officials have advised that the Company was in the process of pursuing a potential claim against HMRC for VAT paid in previous financial years that they believed should have been classed as VAT exempt.

The claim relates to VAT charged on invoices for the period to 31 January 2018 of circa £297,477 and
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for the period from 1 February 2018 onwards of circa £149,628.

Any successful claim on these amounts will be subject to set-off against debts owed to HMRC by the Company.

The Joint Administrators are currently trying to ascertain the merit of any claim against HMRC. These investigations include calculating the existing debt due to HMRC, understanding the professional costs of continuing with any potential claim against HMRC and also evaluating the likelihood of success and the legal implications involved.

There is case law that suggests a claim for the amounts prior to 1 February 2018 would have a chance of success but that any claims after this period would be unlikely to realise anything for creditors.

The Joint Administrators are continuing to investigate the viability of taking the issue and shall provide an update in the next report to creditors.

5.3.3 Book Debts

The Company records show that there are outstanding sums due to the Company from the ESFA for services provided to learners for the months of January 2020 and February 2020 in the amounts of £334,912 and £321,810 respectively.

The Joint Administrators have been provided with an invoice from the ESFA in the sum of £69,260 with regards to error in the data sent to them for payment from the Company.

The Joint Administrators continue to work with the ESFA to reconcile these amounts. The ESFA believe that some errors may have occurred in the transmission of the data so it is essential that continued co-operation remains in order to establish the accurate position.

An update shall be provided in the next report to creditors.

5.3.4 Other Assets

The Joint Administrators have been advised that there were chattel assets held at the three sites in Blackburn, Frome and Birkenhead with a limited value attached to these items.

The Joint Administrators engaged the Agents to value and sell these assets. The valuation applied to these assets by the Agents is set out below.

	Market Value In-Situ	Market Value Ex-Situ	Market Value subject to Marketing Constraints
Office Furniture & Equipment	9,200	6,200	4,700
Plant & Machinery	800	500	300
Totals	10,000	6,700	5,000

As at the date of this report to creditors, the Agents have recovered £2,000 for the sale of the goods held at the Birkenhead site and hold these funds to order. A sale of £800 has been agreed for the items held at the Blackburn site but has yet to be completed. No offers have been received for the assets held at the Frome site

Further progress on the realisation of further assets will be provided in the next report to creditors.

5.4 Investigations

The Joint Administrators have a statutory obligation to file a report with the DBEIS on the reasons for the failure of the Company into Administration and regarding the conduct of all Directors that held office in the three years prior to the Administration. This report must be filed within three months of the Appointment Date.

These investigations into the Company's affairs are currently ongoing. The Joint Administrators also have a duty to investigate antecedent transactions which include transactions to defraud creditors, preference payments and transactions at an undervalue.

Given the commercially sensitive nature of these investigations, it is not appropriate to elaborate on any potential claims at this time. An update will be provided in the next progress report

During our preliminary investigations there are a number of transactions that potentially may require investigation. Additional information is required to understand the true nature of the transactions. *The Joint Administrators will keep the Creditors informed of any significant developments, as pursuing such claims can be timely and expensive, resulting in little return to creditors, if any after costs.*

If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please do so by writing to Charlie.Graham@duffandphelps.com or Duff & Phelps Ltd. 35 Newhall Street, Birmingham, B3 3PU.

5.5 Cost of Realisations

All costs and expenses made by the Joint Administrators' from the Appointment Date are set out in the Receipts and Payments account provided at Appendix 2 which is self-explanatory.

Summaries of the most significant costs to date are provided below:

5.5.1 Employee Wages

An employee of the Company was retained by the Joint Administrators to assist with regards to the transactions with the ESFA and the assistance to recover assets for the benefit of creditors.

6. Joint Administrators' Fees and Expenses and Pre-Administration Costs

6.1 Estimated Fees and Expenses

6.1.1 Fees

It is proposed that the Joint Administrators' fee basis is based on time costs. The time costs already charged since the Appointment Date are analysed at Appendix 4. Time is charged in six-minute units.

The Joint Administrators propose to seek approval from the Secured and / or Preferential Creditors.

The amount of time costs proposed over the life of the case the Administrators is shown in the 'Fee Estimate' at Appendix 5. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators. *If circumstances change and the Joint Administrators propose to draw further fees in the future, they will seek the appropriate approval from creditors at a later date.*

Also attached at Appendix 6 is the Fees Narrative, 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. Further details of assets and liabilities and the estimated return to Creditors, if any, are in the body of this report.

6.1.2 Expenses

The Joint Administrators' estimate the expenses of the Administration to total approximately £13,094 plus VAT as detailed in the 'Expenses Estimate' at Appendix 7. This illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This Estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in future Progress Reports.

6.1.3 Disbursements

The Joint Administrators have incurred disbursements of £251 during the Reporting Period.

6.1.4 Additional Information

Attached at Appendix 6 is the "Fees Narrative", a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in the Statement of Creditors Rights at Appendix 8.

6.2 Statement of Pre-Administration Costs

Pre-Administration costs are 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.

The Solicitors were engaged in assisting with preparing the necessary documentation to place the Company into Administration and filing the requisite documents in Court.

The Agents were engaged in conducting a review and providing a valuation of the tangible assets of the Company. The Agents inspected certain premises and also conducted a desktop valuation of the Company's assets.

6.2.1 Fees

The pre-Administration time costs incurred by the Joint Administrators for the period leading up to the Appointment Date total £49,853 representing 108 hours at an average charge out rate of £462 per hour.

6.2.2 Expenses

The Joint Administrators have also incurred pre-appointment expenses of £7. A detailed breakdown of these costs is provided below.

Pre-Administration costs			
	Paid (£)	Unpaid (£)	Total (£)
Duff & Phelps Remuneration	0	49,853	49,853
Duff & Phelps Ltd disbursements	0	7	7
Knights – Fees	0	1,744	1,744
Knights – Disbursements	0		
Total	0	51,604	51,604

The time costs and expenses of Duff & Phelps remain unpaid and the Joint Administrators are seeking approval from the Company's creditors to discharge these costs as an expense of the Administration.

The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to separate approval and does not form part of these Proposals.

7. Dividends Prospects

7.1 Secured Creditors

Praesidian / Global

In consideration for the monies advanced under loan agreements, the Company granted Praesidian two debentures, conferring fixed and floating charges over all of the assets of the Company. The debentures were created on 3 May 2018 and filed at Companies House on 22 May 2018 and 24 May 2018.

At the Appointment Date, it is understood that Praesidian were owed £6,450,000, subject to any contractual charges and interest.

Since the Appointment Date, the Joint Administrators have been in contact with the legal representatives of Praesidian who have advised that the security held by them has been transferred to Global Bankers Insurance Group.

Any distribution to the Secured Creditor will be subject to the security held being reviewed and asset realisations.

At this stage it is anticipated that there will be insufficient realisations to repay Praesidian in full.

7.2 Preferential Creditors

As detailed in the Directors' Statement of Affairs at Appendix 3, the estimated preferential claims are £290,195.

The Preferential Creditor claims consist of employee 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.

At this stage, the quantum of preferential claims is unknown, and updates shall be provided in the next report to creditors.

Based on current information, it is likely a distribution will be paid to the Preferential Creditors however the quantum will be based on further realisations and the level of professional costs incurred in the Administration.

7.3 Unsecured Creditors

According to the Directors' Estimated Statement of Affairs at Appendix 3, Unsecured Creditors total £524,627 as at the Appointment Date and can be summarised as follows:

Creditor	£
HMRC - PAYE	248,000
HMRC – VAT	62,000*
Trade and expense creditors	214,627
Employees (unsecured element)	Uncertain
Total	524,627

* The Company is part of a group VAT registration and could be equally liable for VAT liabilities within the VAT group

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditor other than by virtue of the Prescribed Part, if any, and is dependent on future asset realisations.

7.3.1 Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the Unsecured Creditors would be disproportionate to the benefits.
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Company granted floating charges to Praesidian on 3 May 2018 and the Prescribed Part provisions will apply.

Please note that the estimates detailed on the Directors' Statement of Affairs do not affect Creditors' rights to submit a claim.

If not already done so, Creditors of the Company should complete the appropriate proof of debt form at Appendix 10 and upload this to the portal, details of which you have already received. If you have lost your log in details please contact Charlie Graham of this office

An update will be provided in the Joint Administrators' next progress report.

8. End of Administration

8.1 Exit from Administration

You will note from the exit route from Administration has been left open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

However, at this stage the Joint Administrators anticipate that the most likely exit route will be to put the Company into dissolution for the reasons set out below.

The Joint Administrators have formed the view that based on current realisations and once all the outstanding Administration matters have been finalised and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to Unsecured Creditors, other than from the Prescribed Part, if any.

Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise which might permit a distribution to its Unsecured Creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

8.2 Discharge of Liability

The Joint Administrators propose to seek approval from Secured and Preferential Creditors that they will be discharged from liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments account with the Registrar of Companies or their appointment otherwise ceasing.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

Should the circumstances of the Administration change, the Joint Administrators reserve the right to revert to the Unsecured Creditors in order to obtain discharge of liability.

9. Joint Administrators' Proposals

9.1 Approval of Proposals

The Joint Administrators' Proposals will be deemed approved and a Creditors decision on the approval of these Proposals will not be sought as the Joint Administrators believe the Company will have insufficient property to enable a distribution to be made to Unsecured Creditors, other than by virtue of the *Prescribed Part*.

On the expiry of eight business days from the date that the Proposals are delivered to the Creditors, the Joint Administrators' Proposals will be deemed to have been approved by the Creditors unless Creditors whose debts amount to at least 10% of the total debts of the Company request that a decision procedure is convened.

Further information of the steps required to convene a procedure are detailed at Appendix 8.

9.2 Creditors' Committee

A Creditors' Committee will not be established unless requested by the Creditors and sufficient Creditors are willing to act as members of the committee.

The minimum number of committee members is three and the maximum is five.

The Creditors' Committee represents the interest of the Creditors as a whole rather than the interests of individuals.

The statutory function of the Creditors' Committee is to assist the Joint Administrators with discharging their responsibilities, including the approval of:

- The basis of remuneration;
- The drawing category 2 disbursements;
- The payment of unpaid pre-Administration costs;
- The discharge from liability of any actions taken as Joint Administrators.

Please note that members of the Creditors' Committee are not paid for their time. In order to enable Creditors to make an informed decision, a guidance note on the rights, duties and the functions of Committees can be found at the following link: <https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/a-guide-for-creditors-march-2017.ashx?la=en-gb&hash=33FCAF379D2B3977216E2D41DB2FFC2F762522E1>.

If you would prefer to be sent a paper copy, please contact Charlie Graham of this office.

9.3 Creditors' Rights

The Joint Administrators will use a decision making procedure to seek approval of their Proposals if requested by Creditors whose debts amount to at least 10% of the total debts of the Company and the relevant procedures are followed.

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the proposed decision(s). The statutory thresholds for requesting a meeting are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

Further information on Creditors' rights to request a decision or physical meeting and the relevant procedures required is provided on Appendix 8, Statement of Creditors Rights.

In addition, the statement also sets out information on the remuneration and disbursements of the Joint Administrators.

9.4 Summary of Proposals

In addition to the specific itemised proposals detailed below, this document in its entirety constitutes the Joint Administrators' Proposals.

The Joint Administrators propose the following.

9.4.1 General

- 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, and

- Seek an extension to the Administration period if considered necessary.

9.4.2 Distributions

- To make distributions to the Secured and Preferential Creditors where funds allow. To make distributions to the Unsecured Creditor from the Prescribed Part, where applicable.

9.4.3 End of Administration

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 Stephen Gerard Clancy 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 Stephen Gerard Clancy 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.

The Joint Administrators will be seeking specific agreement to the following Proposals from the Secured Creditors and Preferential Creditors which do not form part of these Proposals.

9.4.4 Remuneration and pre-Administration Costs

- 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.
- That the Joint Administrators' Fee Estimate provided in Appendix 5 in the total sum of £133,025 is approved;
- That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), which have been charged in accordance with Duff & Phelps policy, as set out in Appendix 8,
- That the unpaid pre-Administration costs totalling £51,604, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administration.

- Where a Creditors' Committee is formed, The Joint Administrator's will seek to obtain approval from the Creditors' Committee.

9.4.5 Discharge of liability

- That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments account with the Registrar of Companies or their appointment otherwise ceasing.
- Where a Creditors' Committee is formed, the Joint Administrator's will seek to obtain approval from the Creditors' Committee

If you require further information or assistance, please do not hesitate to contact Charlie Graham.



Stephen Clancy
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Stephen Gerard Clancy 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

Company and Trading Name	Progress to Excellence Limited	
Date of Incorporation	21 August 2000	
Registered Number	04056544	
Company Director(s)	Katy Lennon Sandra Kirkham	
Company Secretary	N/A	
Shareholders	Progress to Excellence Group Limited	
Trading Address	G8 Pacific Road, Birkenhead, Merseyside,	
Registered Office	Current: C/o Duff and Phelps Ltd., The Chancery 58 Spring Gardens Manchester	Former: 1 Mann Island, 3 rd Floor, Pte Group Liverpool L3 1BP
Any Other Trading Names	N/A	

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in Manchester County Court, 212 of 2020	
Appointor	Directors	
Appointment Date	2 March 2020	
Joint Administrators	Stephen Clancy Steven Muncaster	
Original Purpose	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration Expiry Date	23 59 Hrs on 1 March 2021	
Prescribed Part	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 7).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

Balance Sheet

As at 31 March 2019

	Account	31 Mar 2019
Fixed Assets		
	Tangible Assets	
	Computers	236,479 52
	Depreciation on Furniture & Fixtures	(37,410 06)
	Furniture & Fixtures	54,048 92
	Less Accumulated Depreciation on Computers	(180,629 06)
	Less Accumulated Depreciation on Property Improvements	(10,258 58)
	Property Improvements	30,165 89
	Total Tangible Assets	92,396.63
Total Fixed Assets		92,396.63
Current Assets		
	Cash at bank and in hand	
	Corporate Account	195,329 40
	RBS Current Account 17455219	5,399 24
	Total Cash at bank and in hand	200,728.64
	Accrington Petty Cash	44 85
	Debtors Control Account	532,424 58
	Enviro Data Solutions	7,427 59
	IID Recharges	(0 06)
	Petty Cash	22 37
	Prepayments	1,784,857 35
	Progress to Excellence Group	684,088 98
	Sales Accrual	782,252 97
	Sundry Bank Deposit	29 32
	Sundry Debtors	3,065 00
Total Current Assets		3,994,941.59
Creditors: amounts falling due within one year		
	Accruals	39,548.06
	Bistro No4	(180 59)
	Creditors Control Account	309,405 75
	Directors' Loan Account	258 16
	PAYE Payable	75,797.03
	Provision for Corporation Tax	(2,105 99)
	RBS Credit Card	11,223 99
	Rounding	31 23
	Royal London Pension	(11,265 69)
	Suspense	(3,758 20)
	VAT	(387,123 59)
	VAT Partial Exemption Provision	453,722 82
Total Creditors: amounts falling due within one year		485,552.98
	Net Current Assets (Liabilities)	3,509,388.61
	Total Assets less Current Liabilities	3,601,785.24

Creditors: amounts falling due after more than one year

ADM 03006

	Hire Purchase Loan	8,964 50
	Net Wages payable	131,812 15
Total Creditors: amounts falling due after more than one year		140,776.65
	Net Assets	3,461,008.59
Capital and Reserves		
	Capital - Ordinary Shares	100 00
	Current Year Earnings	1,195,715 59
	Dividends	(558,429 13)
	Retained Earnings	2,823,622 13
Total Capital and Reserves		3,461,008.59

Profit and Loss

For the period 31 March 2018 to 31 March 2019

Account	31 Mar 2018-31 Mar 2019
Turnover	
19-24 Apprenticeships	6,259,919.84
Apps - Acc Inc	(111,000.00)
Co Investment Employer Contribution	140,999.15
Commercial sales	34,241.37
Student Loans	3,144,555.15
Total Turnover	9,468,715.51
Cost of Sales	
16-18 Incentive Payments	40,020.00
Adult Learning Loans - Beauty Costs	95,679.60
Adult Learning Loans - Tuition	429,805.16
Adult Learning Loans - Venues	904,856.66
Adult Learning Loans - VTCT	82,735.39
Apprenticeships Costs	34,992.00
Freelance Assessors	7,104.48
Irrecoverable VAT	46,479.81
NILE - DELIVERY COSTS	2,559.12
Pension Contributions	95,288.80
Recruitment Expenses	23,089.23
Sales Consultants	150,935.48
Staff Salaries	3,618,129.19
Staff Training	12,629.34
Subcontractors	467,583.92
Training & Awarding Bodies	280,791.63
Total Cost of Sales	6,292,679.81
Gross Profit	3,176,035.70
Administrative Costs	
Advertising & Marketing	8,741.85
Audit & Accountancy fees	11,784.90
Bank Charges	4,248.72
Business Rates	8,482.34
Childcare Vouchers	540.88
Cleaning	10,604.51
Computer Depreciation	47,494.07
Computer Hardware Support	11,060.00
Computer Software/Consumables	139,848.25
Consultancy	17,007.96
Corporation Tax (DO NOT USE)	146,045.67
Credit Charges	1,509.55
Donations	16,786.14
Employee Medical Insurance	13,798.88
Entertainment-100% business	6,952.50
Equipment Hire	3,920.60
Events	12,058.71
Exceptional Costs	212,469.27
Facility Fee	11,000.00
Fuel & Oil - Mileage	139,986.52
ADM 03006	

Furniture & Fixtures Depreciation	8,380 71
Hotels	57,788 36
HP Interest	2,422 38
Insurance	41,093 36
Interest Charged	6,755.81
Light Power Heating	3,509.67
Management Charge	649,000.00
National Insurance Interest	2,433 91
Office Services	123,841 42
Office Stationery	7,454 59
Photocopying	6,779 72
Postage & Carriage	8,242 33
Professional Fees	96,183 16
Profit/(Loss) on Disposal of Fixed Assets	2,252 27
Property Depreciation	1,794 00
RBS Loan Interest	(819 85)
Refreshments	3,582 91
Repairs	433 15
Resources & Publications	114.94
Sales & Marketing	72,092 27
Set up costs	430.00
Sponsorship	(7,444 98)
Storage	425 78
Subscriptions	18,427.04
Subsistence	5,839 34
Sundry Expenses	7,367 35
Telephone & Internet	71,521 88
Travelling	15,258 78
Vehicle Hire	454 10
Vehicle Insurance	262 34
Venue Hire	2,781.88
Website Design	2,334 14
Total Administrative Costs	2,035,334.08

Operating Profit	1,140,701.62
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Other Income

Interest Received	218 40
Other Revenue	26,483 55
Total Other Income	26,701.95

Profit on Ordinary Activities Before Taxation	1,167,403.57
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Profit after Taxation	1,167,403.57
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Appendix 2 – Receipts and Payments Account

**Progress to Excellence Limited
(In Administration)
Joint Administratorss' Summary of Receipts & Payments**

Statement of Affairs £	From 02/03/2020 To 30/03/2020 £	From 02/03/2020 To 30/03/2020 £
ASSET REALISATIONS		
Cash at Bank	<u>159,448.42</u>	<u>159,448.42</u>
	159,448.42	159,448.42
COST OF REALISATIONS		
Wages & Salaries	<u>2,720.24</u>	<u>2,720.24</u>
	-2,720.24	-2,720.24
	<u>156,728.18</u>	<u>156,728.18</u>
REPRESENTED BY		
Floating/main current account		156,728.18
		<u>156,728.18</u>

Appendix 3 – Statement of Affairs

STATEMENT OF AFFAIRS

Company Name: Progress to Excellence Limited ("the Company")

Company Number: 04056544

Court Number: In the High Court of Justice – CR-212 of 2020

Statement as to the affairs of (a) **Progress to Excellence Limited** of The Chancery, 58 Spring Gardens,
Manchester, M2 1EW

on 2 March 2020, the date that the company entered Administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at 2 March 2020, the date that
the company entered Administration.

Full name ____Sandra Kirkham____

Signed 

Signature S. K. K. Date 15th April 2020

A1 – Summary of Liabilities

		Estimate £
Estimated total assets available for preferential creditors (carried from page A)		159,448
Liabilities	£	
Preferential creditors:-		
Employees (number: 110)	290,195	
Estimated deficiency as regards preferential creditors		(94,747)
Estimated prescribed part of net property where applicable (c/d)	£	NIL
Estimated total assets available for floating charge holders		(94,747)
Debts secured by floating charges	£	6,450,000
Estimated deficiency after floating charges		(94,747)
Estimated prescribed part of net property where applicable (b/d)	£	NIL
Total deficit to unsecured creditors		(94,747)
Unsecured non-preferential claims:-	£	
Employees – Redundancy	196,518	
Employees - PILN	178,711	
HMRC – VAT	62,000	
HMRC – PAYE	248,000	
Trade Creditors	214,627	
Estimated deficiency after floating charge where applicable (b/d)	6,450,000	
Estimated deficiency as regards creditors		(7,349,856)
Issued and called up capital	£	100
Estimated total deficiency as regards members		(7,349.956)

Signature S. Khan Date 15th April 2020 _____

Appendix 4 – Analysis of Time Charged and Expenses Incurred

Analysis of the Joint Administrators' Time Costs for pre-Administration

Classification of Work Function	Hours				Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant			
Administration and Planning							
Cashiering & accounting	0.40	0.00	0.00	0.00	0.40	260.00	650.00
Dealing with notice of intention to appoint	11.10	0.00	0.00	0.00	11.10	7,215.00	650.00
Dealings with Directors and Management	0.00	1.75	0.00	0.00	1.75	770.00	440.00
IPS set up & maintenance	0.00	0.25	0.00	1.00	1.25	300.00	240.00
Strategy planning & control	6.50	60.50	0.00	1.50	70.50	32,418.00	459.83
Creditors							
Communications with Creditors / Employees	0.70	6.25	0.00	7.50	14.45	4,630.00	320.42
Secured Creditors	2.50	2.25	0.00	0.00	4.75	2,615.00	550.53
Realisation of Assets							
Other Tangible Assets	0.50	3.00	0.00	0.00	3.50	1,845.00	470.00
Total Hours:	23.70	74.00	0.00	10.00	107.70		482.88
Total Fees Claimed: £	15,405.00	32,560.00	0.00	1,888.00		49,853.00	

Analysis of the Joint Administrators' Time Costs for the Reporting Period

Classification of Work Function	Hours				Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support		
Administration and Planning							
Case review & Case Diary management	14.80	0.00	0.00	2.00	0.00	10,120.00	602.38
Cashiering & accounting	0.00	0.50	0.00	2.90	0.00	798.00	234.71
Dealings with Directors and Management	0.00	2.75	0.00	0.00	0.00	1,240.00	450.91
IPS set up & maintenance	0.00	0.00	0.00	1.70	0.00	353.00	207.65
Insurance	0.00	0.00	0.00	0.30	0.00	45.00	150.00
Statutory matters (Meetings & Reports & Notices)	0.00	19.75	0.00	27.80	0.00	14,497.00	304.88
Strategy planning & control	0.00	19.25	0.00	5.90	0.00	9,475.00	376.74
Tax Compliance / Planning	0.00	10.00	0.00	0.50	0.00	4,495.00	428.10
Creditors							
Communications with Creditors / Employees	0.40	9.75	0.00	29.30	0.00	10,462.00	265.20
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	7.70	0.00	1,643.00	213.38
Pref claims adjudication & distribution	0.00	0.00	0.00	17.90	0.00	3,401.00	190.00
Secured Creditors	0.00	1.75	0.00	0.00	0.00	875.00	500.00
Investigations							
CDDA & reports & Communication	0.00	3.00	0.00	0.30	0.00	1,497.00	453.64
Realisation of Assets							
Book debts	0.00	16.25	0.00	0.00	0.00	7,825.00	481.54
Freehold and Leasehold Property	0.00	0.00	0.00	2.50	0.00	475.00	190.00
Other Intangible Assets	0.00	0.50	0.00	0.00	0.00	220.00	440.00
Other Tangible Assets	0.00	1.25	0.00	0.20	0.00	588.00	405.52
Pre-Appointment Tax Reclaims	0.00	0.00	0.00	1.00	0.00	190.00	190.00
Stock & Work In Progress	0.00	0.00	0.00	0.40	0.00	76.00	190.00
Total Hours:	15.20	84.75	0.00	100.40	0.00	200.35	340.78
Total Fees Claimed: £	9,880.00	38,825.00	0.00	19,570.00	0.00	68,275.00	

Narrative of work carried out for the reporting period

The key areas of work have been:

SIP 9 narrative for the reporting period

Administration and planning

- Monitoring and reviewing the Administration strategy;
- Briefing staff on the Administration strategy and matters in relation to workstreams;
- Regular case management and reviewing of process including regular team update meetings and calls;
- Meeting with management to review and update strategy and monitor progress;
- Reviewing and authorising junior staff correspondence and other work,
- Dealing with queries arising during the appointment;
- Reviewing matters affecting the outcome of the Administration;
- Allocating and managing staff/ case resourcing and budgeting exercises and reviews;
- Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.

Creditors

- Updating the list of Unsecured Creditors;
- Responding to enquiries from Creditors regarding the Administration and submission of their claims;
- Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and
- Drafting progress statutory progress reports.
- Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy;
- Filing notice of the extension of the Administration; and

Investigations

- Managing and reviewing the Company books and records,

	<ul style="list-style-type: none"> • 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; • Obtaining records from third parties; • Conducting interviews with counterparties and officeholders; • Enquiring with counterparties who has raised disputes against the Company; • Reviewing pre-appointment transactions; and • Documenting investigations.
Statutory and compliance	<ul style="list-style-type: none"> • Ensuring compliance with all statutory obligations within the relevant timescales; • Uploading information to the Creditors' Portal/Website, • Drafting and publishing progress reports, • Running decision procedures; • Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; • Monitoring the fees estimate; and • Monitoring the expenses estimate.
Cashiering	<ul style="list-style-type: none"> • Preparing statutory receipts and payments accounts; • Renewing bonding and complying with statutory requirements;
Asset realisations	<ul style="list-style-type: none"> • Collating information from the Company's records regarding assets, specifically compiling historical Company records on motor vehicles, records of purchase and part exchange trading on the vehicles; • Liaising with finance companies in respect of assets subject to finance agreements, • Liaising with agents regarding the sale of assets, • Liaising with suppliers on retention of title claims, • Reviewing outstanding debtors and management of debt collection strategy; • Seeking legal advice in relation to book debt collections,

- Communicating with landlords regarding rent; property occupation and other property issues;
- Liaising with third parties regarding costs incurred;
- Collecting and paying rent due on the company's remaining premises;
- Reviewing and agreeing invoices;
- Reviewing costs incurred to ensure recorded accurately; and
- Arranging payments to agents and solicitors in a timely manner.

Tax

- Analysing and considering the tax effects of asset sales;
- Working on tax returns relating to the periods affected by the Administrator;
- Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements, and
- Dealing with post appointment tax compliance.

Joint Administrators' disbursements for the reporting period

We have incurred the following disbursements during the reporting period

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Mail Redirection	0.00	211.00	0.00	0.00	211.00
Total	0.00	211.00	0.00	0.00	211.00

Please note, we have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration

Appendix 5 – Fee Estimate

Progress To Excellence Limited (In Administration) ("the Company") Joint Administrators' Fee Estimate for the period 2 March 2020 to 1 March 2021									
Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £	
	Managing Director	Manager	Senior	Assistant	Support				
Administration and Planning									
Case Review & Case Diary Management	2.00	5.00	5.00	1.00	2.00	15.00	6,000.00	400.00	
Cashiering & accounting	0.00	10.00	7.00	15.00	1.00	33.00	11,210.00	339.70	
Dealings with Directors and Management	5.00	1.00	5.00	0.50	0.00	11.50	5,525.00	480.43	
IPS set up & maintenance	0.00	1.50	0.00	0.50	0.00	2.00	875.00	437.50	
Insurance	0.00	1.00	0.00	1.00	8.00	10.00	1,950.00	195.00	
Statement of affairs	1.50	5.50	1.00	2.00	0.00	10.00	4,555.00	455.50	
Statutory matters (Meetings & Reports & Notices)	5.00	10.00	5.00	15.00	5.00	40.00	14,400.00	360.00	
Strategy planning & control	3.00	5.00	5.00	15.00	2.00	30.00	10,150.00	338.33	
Tax Compliance / Planning	0.00	1.00	0.00	1.00	0.00	2.00	750.00	375.00	
	16.50	40.00	28.00	51.00	18.00	153.50	55,415.00	375.72	
Creditors									
Communications with Creditors / Employees	3.00	5.00	5.00	15.00	5.00	33.00	10,600.00	321.21	
Creditors committee	1.00	0.00	1.00	1.00	0.00	3.00	1,230.00	410.00	
Non Pref Creditor claims adjudication & dist'n	2.00	3.00	5.00	5.00	0.50	15.50	5,775.00	372.58	
Non Pref Creditors / Employee claims handling	2.00	2.00	5.00	10.00	2.00	21.00	6,750.00	321.43	
Pref claims adjudication & distribution	2.00	0.00	3.00	5.00	0.00	10.00	3,540.00	354.00	
Secured Creditors	5.00	5.00	3.00	5.00	3.00	21.00	8,440.00	401.90	
	15.00	15.00	22.00	41.00	10.50	103.50	36,335.00	363.52	
Investigations									
CDDA & reports & Communication	3.00	2.00	5.00	7.50	0.00	17.50	6,475.00	370.00	
Financial review and investigations (S238/239 etc)	3.00	2.00	10.00	5.00	0.00	20.00	7,500.00	375.00	
	6.00	4.00	15.00	12.50	0.00	37.50	13,975.00	372.50	
Realisation of Assets									
Book debts	3.00	5.00	2.00	2.50	0.00	12.50	5,735.00	458.80	
Freehold and Leasehold Property	5.00	12.00	0.00	5.00	10.00	32.00	12,000.00	375.00	
Hire Purchase and Lease Assets	2.00	2.00	1.00	2.00	2.00	9.00	3,430.00	381.11	
Other Intangible Assets	2.00	2.00	0.50	1.00	1.00	6.50	2,865.00	440.77	
Other Tangible Assets	1.50	2.00	1.50	2.00	2.00	9.00	3,270.00	363.33	
	13.50	23.00	5.00	12.50	15.00	69.00	27,300.00	403.80	
Total Hours:	51.00	82.00	70.00	117.00	43.50	363.50	133,025.00	365.96	
Total Fees Claimed: £	33,150.00	41,000.00	23,100.00	29,250.00	6,525.00		133,025.00		

Appendix 6 – Fee Narrative

Progress To Excellence Limited (In Administration) (“the Company”)

Steven Muncaster and Stephen Gerard Clancy were appointed as Joint Administrators of the Company on 2 March 2020

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 Administration, 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 Report which provides further details of the assets, liabilities and estimate return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred' (Appendix 4), Fee Estimate (Appendix 5) and 'Estimated Expenses of the Administration' (Appendix 7)

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on Duff & Phelps' time costs

The ability for the Joint Administrators to draw fees is dependent on asset realisations and the authority of creditors. Creditors are asked to approve the basis of the fees and the Fee Estimate, which effectively acts as a cap on the fees that can be drawn (subject to the Joint Administrators' ability to seek an increase in the approved amount from creditors if appropriate).

The amount expected to be drawn in fees over the life of the case assuming it is moved to a creditors' voluntary liquidation or is closed by 1 March 2020 by the Administrators is shown in Appendix 5 – Fee Estimate. The Fee Estimate at Appendix 6 does not include the further time costs of any subsequent Liquidation of the Company, if applicable. The Company will only be placed into Liquidation if there are funds available to distribute to creditors beyond that of the Prescribed Part, if any.

The Administrator's estimate the expenses of the Administration to total £27,594.20 (as shown in Appendix 7 – Estimated Expenses of the Administration). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This Estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in the annual Progress Reports.

As detailed in para 16.3 of the main report, as part of the Proposals creditors are asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £133,025 00. It should be noted that these expenses will only be paid if realisations allow sufficient funds to do so and, in this instance, these costs may not be incurred if there are likely to be insufficient funds to pay them.

Estimated Return to Creditors

At this early stage of the Administration, it is anticipated that the only distribution to unsecured creditors will be through the prescribed part, if any.

Strategy

The role of a Joint Administrator is highly regulated, being required to conform to insolvency legislation, industry best practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, the Joint Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors

In addition, throughout the course of the Administration, the Joint Administrators will regularly review the strategy and complete case reviews at week one, after three months, and every six months thereafter. These activities do not necessarily provide a direct financial benefit to creditors; however, these are necessary to ensure that the Administration runs efficiently.

The Joint Administrators' time costs for the reporting period in respect of Administration and Planning total £26,480.00 and have comprised the following tasks;

- Complying with anti-money laundering checks, bribery act and ethical checks.
- Advertising the Administration appointment and notifying all relevant stakeholders.
- Setting up the Administration on our internal systems and on the creditors' portal website
- Companies House and Court filings.
- Calculating and obtaining the insolvency practitioners bond.
- Undertaking treasury functions in respect of receipts and payments of the Administration to date.
- Arranging insurance of the Company's assets.
- Internal strategic discussions and meetings and completing a 1 week case review.
- Instructing a solicitor to prepare a report on the validity of the secured charges.
- Preparing the Joint Administrators' Proposals.

Total time costs estimated to be incurred for Administration & Planning, total £55,415.00, including the costs incurred to date. Future time costs are estimated to include the following future tasks:

- Performing periodic and strategic case reviews at the intervals discussed above.
- Filing notices with Companies House at relevant intervals.
- Dealing with tax compliance and returns.
- Preparing progress reports to all creditors of the Company every 6 months.
- Preparing a final report to all creditors of the Company.
- Internal strategic discussions and meetings.
- Corresponding with the Company's pre-appointment accountants in respect of tax compliance

Creditors

The Joint Administrators and case staff will liaise with preferential and unsecured creditors to assist them with submitting their claims in the Administration. Should it be considered that there are sufficient asset realisations to enable a dividend to both preferential and unsecured creditors, the Joint Administrations then adjudicate on all submitted claims to agree or reject the claims (in part or in full) prior to placing the Company into Creditors' Voluntary Liquidation to enable an unsecured distribution

To date the Joint Administrators have dealt with creditor queries and lodging creditors' claims that have been submitted onto the case management system, including employee claims and queries. In addition, the Joint Administrators have dealt with claims in respect of retention of title. The Joint Administrators' have incurred time costs of £6,823.00 to date in dealing with creditors.

Going forward, the Joint Administrators will continue dealing with creditors as above, as and when queries and claims are presented. Total time costs in respect of creditor are estimated to be £36,355.00, and it is expected to comprise the following future tasks:

- Dealing with creditor correspondence, emails and telephone conversations regarding claims in the Administration.
- Maintaining up-to-date creditor information and claims status on the case management system.
- Maintaining the creditors' portal website
- Adjudicating and agreeing creditor claims, in the event a dividend will be payable.

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 fitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met, and the 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.

To date, the Joint Administrators have:

- Written to the Company's bankers to request historic bank statements for the Company, and,
- Sought the completion of questionnaires from the Company's directors.

The Joint Administrators estimate total time costs of £13,795.00 in dealing with the investigations, including the time already incurred. This process will include the following future tasks:

- Review of bank statements
- Investigation of any potential claims with regard to antecedent transactions
- Land Registry and Companies House searches
- Logging and reviewing any creditor complaints and concerns regarding director conduct
- Internet and social media searches
- Completion of the Duff & Phelps investigation work programme
- Statutory reporting requirements to the Secretary of State in respect of directors' conduct and any resulting correspondence with the Department of Business, Energy and Industrial Strategy.

The above time estimate assumes that more detailed investigations are not required. In the event, however, that more detailed work is required, the time costs involved are expected to be higher. In the event of this, the Joint Administrators will advise creditors in future progress reports.

Realisation of Assets

The fundamental duty of an Administrator is that of the recovery and realisation of the assets, the Joint Administrators' powers are designed to ensue the effective discharge of this duty. The Joint Administrators must recover the assets of the company for the benefit of the creditors and ultimately the members and must realise the same to affect the best possible distribution.

The Joint Administrators' actions an ongoing strategy in respect of the Company's assets are detailed below. The Joint Administrators have incurred total time costs of £2,099.00 to date, in dealing with the realisation of Company assets. This included the following:

- Sale of assets and discussions with the purchaser.

The Joint Administrators estimate total time costs of £27,300.00 in dealing with asset realisations, including the time already incurred in this regard.

Appendix 7 – Expenses Estimate

Progress To Excellence Limited (In Administration)									
Joint Administrators' Estimated Expenses for the Administration									
Notes	Company	Type of Expense	Activity	Date of Instruction	Fee Basis / % of Realisations	Amount Paid (exc VAT) £	Amount Incurred (exc VAT) £	Anticipated Total Cost (exc VAT) £	
Professional Advisors									
1		Statutory Compliance	Tax Agent - Corporation Tax advice and returns	TBC	TBC	0.00	0.00	3,000.00	
2	Accountants	Statutory Compliance	Review of the secured creditors security and other ad hoc legal advice	TBC	Time Costs	0.00	0.00	5,000.00	
3	Knight's PLC	Statutory Compliance	Undertake a valuation and sale of the chattel assets, and advice on sale of assets	TBC	% of realisations	0.00	0.00	3,500.00	
4	Griffin James Limited								
Other									
5	Courts Advertising Limited	Statutory Compliance	Statutory Advertising	TBC	As incurred	0.00	84.60	169.20	
6	Accurate Mailing Services Limited	Statutory Compliance	Mail agents	TBC	Per unit	0.00	0.00	700.00	
7	Total Data Management	Statutory Compliance		TBC	Per unit	0.00	0.00	500.00	
Total Professional Advisor and Other Costs						0.00	84.60	12,869.20	
Disbursements									
8	Category 1 Disbursements								
9	Bond Premium					0.00	0.00	225.00	
Total Category 1 Disbursements						0.00	0.00	225.00	
Total Estimated Expenses						0.00	84.60	13,094.20	
Notes to the Estimated Expenses Scheduled									
1	The Joint Administrators' choice of professional advisors will be based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of their assignment and the basis of their fee								
2	Tax agents will be instructed if required to prepare and file the Company's post-appointment tax returns								
3	Knight's PLC were instructed by the Joint Administrators to act in relation to the appointment of the Joint Administrators of the Company and other legal matters								
4	Griffin James Limited were appointed by the Joint Administrators to act in relation to the sale of assets of the Company								
5	Statutory advertising of the Joint Administrators' appointment in the London Gazette is required under insolvency legislation								
6	It is sometimes more cost effective to employ an external company to print and mail circulars to creditors and members								
7	It is sometimes more cost effective to employ an external company to store records								
8	Category 1 Disbursements are payments to independent third parties where there is specific expenditure directly referable to the Administration								
9	It is a statutory requirement for Insolvency Practitioners to have a Bond on each case to which they are appointed. The cost is based on the value of the assets								
The total anticipated expenses is an estimated based on information available at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration									

Appendix 8 – 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 Charlie Graham at Charlie.Graham@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>

Should you require a copy, please contact this office.

Creditors may requisition a physical meeting of Creditors for approval of the Joint Administrators' Proposals under Rule 15.6 of the Insolvency (England and Wales) Rules 2016

The Joint Administrators shall summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the following procedures are followed:

The request for a requisitioned physical meeting must be made within five business days of the date on which the Joint Administrators' Proposals were delivered and include either:

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

If you wish to request a physical Creditors' meeting, please complete and return the physical meeting requisition form available on the portal.

Creditors may requisition a decision to be made by all of the Creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's Creditors as to whether they approve the Proposals if requested by Creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within eight business days of the date on which the Joint Administrator's statement of Proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting Creditor's claim together with—

ADM 03006

- a list of the Creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each Creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting Creditor of the deposit sum.

Appendix 9 – Proof of Debt Form

(Please note that the proof of debt form must be uploaded to the Portal, if you send the form in the post or by email this may affect your claim being lodged)

Rule 14.4

IR 2016

PROOF OF DEBT - GENERAL FORM

Progress to Excellence Limited - in Administration		
Company Registration No. 04056544		
Date of Administration: 2 March 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	REF
	Contact telephone number of creditor	
	Email address of creditor	
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 10 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Griffin James Ltd, RICS accredited Chartered Surveyors and independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	2 March 2020, being the date of the appointment of the Joint Administrators to the Company
the Bank / Santander	Santander UK Plc with whom the Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Progress to Excellence Limited (In Administration) (Company Number 04056544)
Court	The High Courts of Justice, Manchester County Court, Court Reference 000212 of 2020
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Sandra Kirkham and Katy Lennon, the directors of the Company
Duff & Phelps	Duff & Phelps Ltd.
EC Regulation	EC Regulation on Insolvency Proceedings 2000
ESFA	The Education and Skills Funding Agency is an executive agency of the government of the United Kingdom, sponsored by the department for education
Global	Global Bankers Insurance Group
HMRC	Her Majesty's Revenue and Customs
the Joint Administrators	Stephen Gerard Clancy and Steven Muncaster of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, M2 1EW
Ofsted	Ofsted is the Office for Standards in Education, Children's Services and Skills
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
Praesidian	Praesidian Capital Management Europe LLC
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)

the Secured Creditor	Formerly Praesidian Capital Management Europe Llc and latterly Global Bankers Insurance Group, the holder of a fixed and floating charges over the Company's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by Directors
SOA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date
the Solicitors	Knights Plc, the pre and post appointment solicitors of the Joint Administrators
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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Appendix 11 – Notice about this Statement of Proposals

This Statement of Proposals has been prepared by Stephen Gerard Clancy and Steven Muncaster, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before Creditors a statement of their Proposals for achieving the purpose 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.

These Proposals have not been prepared in contemplation of them being used, and are 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 these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on these Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 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 these Proposals.

Stephen Gerard Clancy 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 agent 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 these Proposals or the conduct of the Administration.