

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A12 *ABFWEK3C* 12/10/2019 #88
COMPANIES HOUSE

1 Company details

Company number 0 6 6 9 7 5 2 5

Company name in full Blackstar Wealth Management Limited

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

2 Administrator's name

Full forename(s) Andrew

Surname Fender

3 Administrator's address

Building name/number Sanderling House

Street Springbrook Lane

Earlswood

Post town Solihull

County/Region

Postcode B 9 4 5 S G

Country

4 Administrator's name ①

Full forename(s)

Surname

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

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

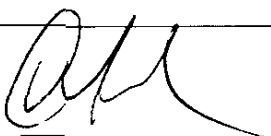
② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Sign and date

Administrator's Signature	Signature ✕		✕
Signature date	^d 0 ^d 4	^m 1 ^m 0	^y 2 ^y 0 ^y 1 ^y 9

Birmingham Business and Property Courts

No.665 of 2019

Blackstar Wealth Management Ltd - In Administration

THE ADMINISTRATOR'S PROPOSAL

**Andrew Fender
Administrator**

**Sanderlings LLP
Sanderling House
Springbrook Lane
Earlswood
Solihull
B94 5SG**

01564 700 052

info@sanderlings.co.uk

Contents

1. Executive Summary
2. Statement of Pre-Administration Costs
3. The Administrator's Fees
4. The Administrator's Expenses
5. Proposed Work to be Undertaken
6. Other Information to Support the Proposed Fees
7. The Administrator's Discharge
8. Invitation to Form a Creditors' Committee
9. Approval Process

Appendices

- I. The Statement of Proposals
- II. Breakdown of Pre-Administration Time Costs
- III. Charge-out Rates and Bases of Disbursements
- IV. Breakdown of the Administrator's Time Costs to 27 September 2019
- V. Information to Support the Administrator's Fee Proposal
- VI. Notice of Decision Procedure / Voting Form / Proof of Debt
- VII. Notice of Invitation to Form a Creditors' Committee

1. Executive Summary

- 1.1 This Proposal incorporates the Statement of the Administrator's Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2 The business was established in September 2008 and the principal activity of the Company was financial intermediation not elsewhere classified, and traded from premises at 17 Wrens Court, Lower Queen Street, Sutton Coldfield, B72 1RT. On 13 August 2019, Andrew Fender was appointed Administrator of the Company by the Directors of the Company.
- 1.3 As explained in more detail in the Statement of Proposals, the Administrator is currently pursuing the third statutory objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date	Anticipated future realisations	Total anticipated realisations
Intercompany Loan (Blackstar Wealth Management A Ltd)	Nil	12,395	12,395
Debtors	Nil	10,532	10,532
Client Contracts	Nil	7,500	7,500
Cash at Bank	Nil	428	428
HMRC S.455 Tax Repayment	Nil	Nil	Nil
Intercompany Loan (Atlantis Capital Ltd)	Nil	Nil	Nil
Third Party Company Loan (Patent Capital Ltd)	Nil	Nil	Nil
Director's Loan Account	Nil	Nil	Nil
Causes of Action	Nil	Nil	Nil
Unpaid Share Call	Nil	Nil	Nil

Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Administrator's fees	22,258	27,932	50,190
Legal costs	7,000	3,000	10,000
Category 1 disbursements	396	Nil	396
Category 2 disbursements	420	Nil	420

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	N/a	N/a
Secured creditor (floating charge)	N/a	N/a
Preferential creditors	Nil	100p in the £
Unsecured creditors	Nil	Nil

- 1.5 The Statement of Proposals at Appendix I provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as other statutory information.
- 1.6 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together

Blackstar Wealth Management Ltd - In Administration
The Administrator's Proposal

with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Administrator's costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Administrator's discharge on conclusion of the Administration.

- 1.7 Definitions of the terms used in this Proposal are provided in Appendix I together with all statutory information pertaining to the Company.

2. Statement of Pre-Administration Costs

- 2.1 On 18 July 2019 the director of the Company formally engaged Sanderlings LLP to provide assistance and advice in respect of the Company's financial position and the following tasks and matters were undertaken and considered to be necessary to placing Blackstar Wealth Management Ltd into Administration.

- 2.2 The proposed Administrator and his staff met with the director on 16 July and 12 August and the financial position of the Company was discussed, including the situation with various matters including client claims against the Company and causes of action that were at various stages of being pursued.

- 2.3 In conducting the above work, the following costs were incurred:

	£
Sanderlings LLP's time costs (see Appendix II)	2,655.00

- 2.4 Attached at Appendix II is a breakdown of the time costs of the Administrator and their staff incurred prior to Administration and included within Appendix III are Sanderlings LLP's charge-out rates and bases of disbursements.

- 2.5 All the above costs remain unpaid.

- 2.6 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided below.

3. The Administrator Fees

- 3.1 The Administrator propose to fix their fees on the following basis:

- the time properly given by the Administrator and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Sanderlings LLP at the time the work is performed (plus VAT);

- 3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 27 September 2019. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Administrator and their staff.

- 3.3 The charge-out rates of the Administrator and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being agreed. The grades of staff instructed to assist in this matter and their key responsibilities include:

- Support Staff: maintenance of the creditors' contacts database, assisting with creditors' queries and routine correspondence

- Administrators: assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing reports to creditors and other statutory matters, and managing the cashiering function
- Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors and overseeing the tax and VAT aspects of the case

3.4 Creditors may access a Guide to Administrators' Fees at <http://www.sanderlings.co.uk/creditors-guides/administration.pdf> or a hard copy will be provided on request.

3.5 Further information is set out below and in the appendices to explain the future time costs that the Administrator anticipates incurring in this Administration.

4. The Administrator Expenses

4.1 The Administrator expenses may be divided into two categories:

- Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

4.2 Appendix III provides details of the bases of Category 2 expenses that the Administrator proposes to recover from the insolvent estate.

5. Proposed Work to be Undertaken

5.1 Set out in Appendix V is a detailed list of tasks that the Administrator proposes that they and their staff will undertake together with their estimates of the time these tasks will take to carry out in total. The most material tasks are summarised below.

Administration (including Statutory Reporting)

5.2 The Administrator are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Administrator and their staff carry out their work to high professional standards.

5.3 Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension where necessary, and issuing a final report and notices;
- Communication and compliance with regulatory requirements and all other dealings with the Financial Conduct Authority, Financial Ombudsman Service and Company clients

- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Administrator that materially affect the administration;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

5.4 The Administrator examines the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Administrator to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

5.5 In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews.

5.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Administrator next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Administrator encounters resistance in making a recovery, formal legal action may be appropriate.

5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Administrator will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

5.8 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work. The Fees and Expenses Estimates presented below reflect the anticipated work in identifying potential causes of action. If any are identified and the Administrator considers that additional work is required, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

5.9 The Statement of Proposals summarises the work carried out by the Administrator to date in realising the Company's assets. The principal matters that require further work are:

- Collection of the deferred consideration in respect of the sale of the Company's client contracts;
- Continuing to pursue the Company's outstanding debtor income, causes of action and the unpaid share call;

- Continuing to pursue any pre-appointment VAT/corporation tax refund;
- Pursuing settlement of the Company's insurance claims where relevant;
- Establishing the sums due in respect of the directors' loans/inter-company balances and pursuing settlement of these;

Creditors (claims and distributions)

5.10 As the Statement of Proposals explains, there a number of different classes of creditor involved in the Administration that require the Administrator attention. In particular, the Administrator anticipates conducting the following key tasks:

- Assisting the employees to receive payments from the RPO and liaising with the RPO to agree its claim;
- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed;
- Agreeing employee claims, calculating and paying a distribution to preferential creditors, if there are sufficient funds, and paying the subsequent PAYE/NI deductions to HMRC;

6. Other Information to Support the Proposed Fees

6.1 Attached at Appendix V is an estimate of the time that the Administrator envisages the above work will take to complete. Appendix V also provides their estimate of the expenses that have been or are likely to be incurred.

6.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Administrator to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Administrator incurs time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.

6.3 In summary, the Administrator proposes that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £50,190 in conducting the tasks described. This estimate includes the time spent to date as described in Appendix IV.

6.4 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 above will be carried out;
- no exceptional work will need to be conducted in order to realise the remaining assets and collect in the deferred consideration;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration.

6.5 On the basis of these assumptions, the Administrator does not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not

proceed as envisaged, the Administrator will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

7. The Administrator's Discharge

7.1 The Act requires that in the absence of a Committee the timing of the Administrator's discharge from liability will be decided by the unsecured creditors. The Administrator proposes that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

8. Invitation to Form a Creditors' Committee

8.1 Attached at Appendix VII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Administrator in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Administrator fees and other costs described above.

8.2 In the absence of a Committee, this responsibility falls to the unsecured creditors. The Administrator does not see a need for a Committee to be formed in this case.

8.3 Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

9. Approval Process

9.1 The Administrator is seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VI together with a Notice of Decision Procedure setting out the following proposed decisions:

- That the Administrator's fees be fixed by reference to the time properly given by the Administrator and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Sanderlings LLP at the time the work is performed (plus VAT);
- That a Creditors' Committee will not be established;
- That the Administrator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Sanderlings LLP's Summary; and
- That the unpaid pre-Administration costs set out in the Administrator's Proposal be approved.
- That the Administrator be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Administrator ceases to have effect, as defined by the Act, unless the court specifies a time

9.2 The Administrator must receive completed forms by no later than 23.59 on 23 October 2019 to enable your vote to be counted.

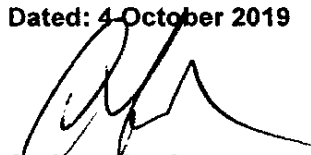
9.3 Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix VI can require that a physical meeting of creditors be convened. Such a request must be made to the Administrator within 5 business days of the date on which this Proposal was

Blackstar Wealth Management Ltd - In Administration
The Administrator's Proposal

delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Administrator or Edwin Lee, on 01564 700 052 or by email to info@sanderlings.co.uk.

Dated: 4 October 2019



Andrew Fender
Administrator

Andrew Fender was appointed Administrator of Blackstar Wealth Management Ltd on 13 August 2019. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as agent of the Company and contracts without personal liability.

Blackstar Wealth Management Ltd - In Administration

**STATEMENT OF THE ADMINISTRATOR'S PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Appendix I
to the Administrator's Proposal**

Birmingham Business and Property Courts Court

No.665 of 2019

Blackstar Wealth Management Ltd - In Administration

**STATEMENT OF THE ADMINISTRATOR'S PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Andrew Fender
Administrator**

**Sanderlings LLP
Sanderling House
Springbrook Lane
Earlswood
Solihull
B94 5SG**

01564 700 052

info@sanderlings.co.uk

Disclaimer Notice

This Statement of Proposals has been prepared by Andrew Fender, the Administrator of Blackstar Wealth Management Ltd 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 purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Any person that chooses to rely on this document 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 Administrator does not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.

The Administrator acts as agent for Blackstar Wealth Management Ltd and contracts without personal liability. The appointment of the Administrator is personal to them and, to the fullest extent permitted by law, Sanderlings LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

All licensed Insolvency Practitioners of Sanderlings LLP are licensed in the UK to act as Insolvency Practitioners.

**Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986**

Contents

1. Introduction
2. Background to the Company
3. Events Leading to the Administration
4. The Purpose of the Administration
5. Management of the Company's Affairs since the Administrator's Appointment
6. The Statement of Affairs and the Outcome for Creditors
7. The Administrator's Fees
8. Approval of the Statement of Proposals
9. Summary of the Administrator's Statement of Proposals

Attachments

- A Definitions
- B Statutory Information
- C Director's Statement of Affairs as at 13 August 2019 and Creditors' Details
- D The Administrator's Receipts and Payments Account to 4 October 2019

1. Introduction

- 1.1 This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Administrator's proposals for achieving an Administration objective.
- 1.2 The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3 This Statement of Proposals is being delivered to creditors on 4 October 2019. The Administrator thinks that neither of the first two Administration objectives will be achieved. Consequently and in accordance with Paragraph 52(1)(c) of Schedule B1 of the Act, creditors are not being asked to decide on the Administrator's proposals, although they may ask the Administrator to request such a decision. Please see section 8 for further details.

2. Background to the Company

- 2.1 The business was established in September 2008 and the principal activity of the Company was financial intermediation not elsewhere classified, and traded from premises at 17 Wrens Court, Lower Queen Street, Sutton Coldfield, B72 1RT.
- 2.2 The director reports that the Company traded successfully until 2013 when a business associate was the subject of an HMRC criminal investigation that took 6 years to conclude with no further action being taken by HMRC.
- 2.3 At this time, substantial business assets were lost due to various reasons associated with the investigation. As a result of the investigation, turnover dropped from £12m per year to nil overnight and despite attempts to rebuild the business as a result of this the company was left in a vulnerable state.
- 2.4 The Financial Conduct Authority (FCA) were involved in on-going supervision of the business from 2016 onwards which subsequently became public knowledge. This resulted in a loss of some PI coverage and the business was therefore exposed to further risks and it was ultimately unable to recover.

Overview of Financial Information

- 2.5 Extracts from the draft accounts for the 12 months to 30 November 2018 and unaudited accounts for the 12 months to 30 November 2017 and 30 November 2016 are shown below. Please note that this information has not been verified by the Administrator.

Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

Summary Profit and Loss Account

	Draft Accounts for year to 30.11.18 £	Unaudited Accounts for year to 30.11.17 £	Unaudited Accounts for year to 30.11.16 £
Turnover	345,191	324,745	612,240
Cost of Sales	(500)	(15,887)	(116,020)
Gross Profit	344,691	308,858	496,220
Gross Margin %	99%	95%	81%
Other Expenses	(381,214)	(426,814)	(1,863,467)
(L)/EBIT	(36,523)	(117,956)	(1,367,247)

Source: Company records

Summary Balance Sheet

	Draft Accounts for year to 30.11.18 £	Unaudited Accounts for year to 30.11.17 £	Unaudited Accounts for year to 30.11.16 £
Tangible assets	2,138	6,194	10,689
Intangible assets	50	50	50
Fixed assets	2,188	6,244	10,739
Current Assets			
Cash	54,617	69,199	151,741
Debtors	339,061	338,155	357,327
	393,678	407,354	509,068
Liabilities			
Trade creditors	(32,779)	(Nil)	(Nil)
Taxation	(6,196)	(11,282)	(9,341)
Other creditors	(4,404)	(13,306)	(3,500)
Total Liabilities	(43,379)	(24,588)	(12,841)
Net Assets	352,487	389,010	496,227

Source: Company records

2.6 Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

3. Events leading to the Administration

3.1 Following the events outlined above, the business ultimately suffered from mounting claims from clients that resulted in a decisions being made against the Company by the Financial Ombudsman Service (FOS).

3.2 The Company defended the claims made by clients, however the FOS ultimately awarded amounts to the clients that the Company was unable to pay and therefore the director took the decision to seek professional advice and place the Company into Administration. On 13 August 2019, Andrew Fender was appointed as Administrator by the director of the Company.

3.3 The Administrator confirms that they are authorised to carry out all functions, duties and powers by either one or both of them.

3.4 For creditors' general information, the EU Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

4. The Purpose of the Administration

4.1 The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely to be achieved 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.

4.2 These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

4.3 The Administrator would comment that due to a lack of working capital and the cessation of trading prior to appointment, the Administrator did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

4.4 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Administrator would comment that the overall position will be improved, but does not believe that ordinary, unsecured creditors will receive a dividend (other than via the prescribed part) and, therefore, have not directly benefited. Accordingly, the Administrator does not consider it likely that the second objective will be achieved and have therefore proceeded to objective three.

4.5 The Administrator would comment that the third objective will be achieved through asset realisations as outlined below.

4.6 A detailed account of how the Administrator has sought to achieve the objective of the Administration is set out below.

5. Management of the Company's Affairs since the Administrator's Appointment

5.1 Immediately upon appointment the Administrator undertook a review of the Company's affairs, which was carried out in liaison with the remaining management of the Company. The Administrator attended the Company's trading premises on 13 August 2019 and a staff meeting was held at which all eight staff were made redundant with immediate effect.

5.2 The Company's records including statutory records, client database and cloud account access, were all subsequently secured by the Administrator.

The sale of the Company's clients

- 5.3** Following the Administrator's appointment, all clients of the Company as at the date of Administration, including those with outstanding claims known to the director, were written to by post or e-mail.
- 5.4** On 16 August 2019 the Administrator was contacted by Leanne Holder, the director of Fiscal Wealth Planning Limited (Fiscal), to discuss purchasing the client contracts. A meeting was held the same day and information was provided by Fiscal for due diligence purposes, including details of FCA registration and authorisation as a representative of Quilter Financial Services Limited.
- 5.5** A draft contract was prepared in the week commencing 19 August 2019 and following professional advice an offer was subsequently accepted on the basis that the consideration for the sale of the client database and contracts is the greater of 5% of gross income from the clients in the first 12 months (if any) or £3,000, payable quarterly within one month of the quarter date and the balance (if any) payable within one month of the anniversary of the agreement.
- 5.6** Following further due diligence work, the transfer was completed on 11 September 2019. The Administrator has therefore sold such right, title and interest the Company has in the client contracts to Fiscal Wealth Planning Limited (company number: 12001761), who are registered with the FCA and an appointed representative of Quilter Financial Services Limited and Quilter Mortgage Planning Limited (part of the Quilter Plc group who have no connection to the Company).
- 5.7** This represents a sale to an unconnected party. The director of Fiscal was employed by the Company prior to Administration, however she was not in a management or directorial position and I am not aware of any connection with the Company or its director or shareholders.
- 5.8** The Administrator was approached by another proposed buyer, however it became clear that they were not going to engage with making an offer that the Administrator could consider and the matter did not progress any further.
- 5.9** The director's Statement of Affairs (provided at Attachment C) provides a book value of £15,000 and an estimated to realise value of £7,500. The book value is based on 5% of an estimated turnover of £300,000 and the estimated to realise value has been written down to 50% for the purposes of the Statement of Affairs. As outlined above, the minimum amount payable is £3,000. It should be noted that there is no intrinsic value to the customer base and the value generated will be as a result of the actions of the purchaser.

Client Claims against the Company

- 5.10** As outlined above, the Company's current financial position and decision to put the Company into Administration has resulted in part from mounting client claims for advice provided by the Company, some of which have been pursued through the Financial Ombudsman Service.
- 5.11** The director's Statement of Affairs details 19 known claims from clients that have resulted in a final Ombudsman decision. The aggregate figure of £595,721 represents the full potential claim for redress not taking account of any potential counter claim. There are a further 82 clients with unresolved complaints that the Administrator understands are in the early stages of progress through the Ombudsman, and the director does not accept any potential claim for redress for these clients.

Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

- 5.12 A further 9 clients have come to the Administrator's attention via claims management companies where they have commenced claims very recently or the director was not previously aware of them.
- 5.13 As outlined below, it is anticipated that there will be insufficient funds available in the Administration to pay a distribution to clients as unsecured creditors.

Other assets and liabilities

- 5.14 The director's Statement of Affairs provided at Attachment C summarises the Company's financial position as at 13 August 2019.

Debtors

- 5.15 The book value of £42,131 represents the Company's outstanding invoices as at the date of Administration and the estimated to realise value has been written down to 25% to take into account potential bad debts.
- 5.16 The funds will be paid by the investment holders to the Company's third party platform provider as and when they fall due, and thereafter forwarded to the Administrator's account.

Intercompany Loan (Blackstar Wealth Management A Ltd)

- 5.17 Blackstar Wealth Management A Ltd (BWMA) is a subsidiary and connected company with a common director. The Administrator understands it was incorporated for certain clients. For the purposes of the FCA it was an appointed representative and this relationship has been terminated effective from the date of Administration. The intercompany loan of £123,950 remains outstanding and on the balance sheet and will be pursued by the Administrator.
- 5.18 The director advises that BWMA has a number of contracts that have incurred time costs of around £90,000 that can be pursued to recover funds to be used to repay the intercompany loan. These claims are against clients of the Company and the Administrator understands that the reason for not pursuing these debtors previously is due to the fact that the debtors are also currently having complaints investigated against the Company and pursuing this debt may have prejudiced the investigation.
- 5.19 Given the connected party status it may well be that claims to offset will be made in the first instance and the Administrator will review the position. The estimated to realise figure has been written down to 10% as realisations are dependent on the cash position of BWMA.

Intercompany Loan (Atlantis Capital Ltd)

- 5.20 The sum of £1,330,977 remains payable but the estimate to realise figure has been written down to nil.
- 5.21 Atlantis Capital Limited (ACL) is a wholly owned subsidiary of Blackstar Holdings SA (registered in the British Virgin Islands). The Administrator understands that while there was no direct relationship between Blackstar Holdings and the Company, there was a working relationship between the Company and ACL due to common shareholders (but separate directors).
- 5.22 The director has advised that ACL provided funding to investors who were looking to invest in limited companies that were distributed by the Company. All of the investors acquired shares in companies that were run and operated by Rupert Symons (see below regarding Patent Capital Limited). The purpose of the companies was to

Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

acquire and exploit patent technology to achieve significant gain within a very short time period.

- 5.23 It is understood that the intercompany loan to ACL was provided to cover the wholesale funding costs to the activities and was to be repaid out of successful investments. Unfortunately, when Mr Symons was arrested, he resigned from each of the companies and was unable to develop the technology any further. In each case therefore the investment failed, which left ACL unable to repay the intercompany loan.

Third Party Company Loan (Patent Capital Ltd)

- 5.24 The sum of £1,200,000 is outstanding but the estimated to realise figure has been written down to nil as the director considers that realisations are unlikely.
- 5.25 The director advises that Patent Capital Limited (PCL) is an Isle of Man company that was part of a structure of companies set up to exploit and develop patent technologies on behalf of clients investing funds. Part of the arrangement was that the Company provided wholesale funding to PCL, on a 28-day repayment basis, which was conducted around 7 times in total. The most recent loan was around the time that HMRC launched a criminal investigation into the structure and arrested a director of the Patent Companies in the UK, Rupert Symons.

- 5.26 The loan was not repaid to the Company and as a result the company issued a Statutory Demand to recover its funds. Upon a liquidator being appointed in the Isle of Man it was discovered that Mr Symons had been able to acquire shares in PCL and become appointed as the sole director. The funds were subsequently dispersed before the appointment of the liquidator and the Company have been attempting recovery of the funds through solicitors.

Director's Loan Account, Director's Claim and HMRC S.455 Tax Repayment

- 5.27 The book value of £150,000 is taken from the company records and it is understood that this relates to the difference between a dividend declared and the amount paid to the director.
- 5.28 The position will be confirmed in due course, however the estimated to realise figure has been written down to nil due to the potential for offset against amounts owed to the director, which includes the sum of £324,667 claimed over and above the claim included as an employee claim.
- 5.29 The Administrator has been advised by the director that the sum of £37,500 is owed by HMRC in respect of S.455 tax repayment as a result of the director's belief that the loan account above should be treated as cleared.
- 5.30 The estimated to realise value has been written down to nil due to the potential for offset against amounts owed to HMRC.

Causes of Action (various parties)

- 5.31 The book value of £3,300,000 relates to two potential causes of action identified by the director. The Administrator will review the position and any further action taken will be dependent on advice obtained on the veracity of the claims as well as funds available within the Administration. At present the estimated to realise figure has been written down to nil.

Unpaid Share Call

- 5.32 The book value of £1,715,670 relates to Class E shares issued to four individuals as per the company's last annual return and the uncalled and unpaid element of these shares.
- 5.33 It is understood that 1p in the pound of the share capital of £1,733,000 was paid leaving 99p in the pound unpaid. The Administrator is currently obtaining legal advice so as to pursue the unpaid share capital. The director has advised for the purposes of the Statement of Affairs that the estimated to realise figure should be written down to nil as he does not believe the amount is payable.

HMRC APN

- 5.34 The director's Statement of Affairs includes the disputed amount of £1,187,834 owed to HMRC. This is in respect of an E-Securities arrangement and the director advises that the Company is party to a Judicial Review that is likely to be heard in 2020.

Assets remaining to be realised

- 5.35 All action in respect of asset realisations is on-going and the Administrator will report further at the next opportunity.

Post appointment strategy

- 5.36 The Administrator's staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.37 The Administrator's legal advisors have advised in respect of all legal issues arising, particularly with regard to the regulatory requirements of the FCA and their on-going enquiries.
- 5.38 All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Administrator's staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

- 5.39 The Administrator is undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 5.40 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Administrator as soon as they are able.

6. The Statement of Affairs and the Outcome for Creditors

- 6.1 A Statement of Affairs as at 13 August 2019 has been submitted by the Directors of the Company, a copy of which is attached at Attachment C.
- 6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).

Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

- 6.3 The Administrator has not carried out any work of the nature of an audit on the information.

Secured creditors

- 6.4 The Company has no secured creditors.

Preferential claims

- 6.5 Preferential claims relating to employee deductions are expected to be paid by the Redundancy Payments Service who will have a corresponding preferential claim against the Company. These are likely to be in the region of £12,304 and represent arrears of pay limited to £800 per employee and outstanding holiday pay. There are no other known preferential claims outstanding.

Prescribed part

- 6.6 Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.7 In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor.

Unsecured creditors

- 6.8 On the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors and there will be sufficient funds to pay a distribution to preferential creditors only.
- 6.9 Attached at Attachment D is the Administrator's receipts and payments account for the period to 4 October 2019.

7. The Administrator's Fees

- 7.1 The Administrator proposes to be remunerated on the basis of the time properly given by the Administrator and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Sanderlings LLP at the time the work is performed (plus VAT);
- 7.2 The Administrator will seek approval for the basis of their fees from the unsecured creditors, unless a Creditors' Committee is established.
- 7.3 Information to support the proposed basis of the Administrator's fees is provided in the Administrator's Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

- 8.1 The Administrator thinks that neither of the first two Administration objectives can be achieved. Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Administrator is not required to seek creditors' approval of the Statement of Proposals.
- 8.2 Notwithstanding this, the Administrator shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors

Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986

whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Administrator within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

- 8.3 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules. However, as mentioned in Section 7, the Administrator is seeking creditors' approval of other proposed decisions. Information regarding these matters is provided in the Administrator's Proposal, to which this Statement of Proposals forms an appendix.

9. Summary of the Administrator's Proposals

9.1 The Statement of Proposals is summarised below.

9.2 In order to achieve the purpose of the Administration, the Administrator formally proposes to creditors that:

- the Administrator continues to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they realise the Company's assets at such time(s) and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Administrator as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Administrator make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Administrator ends the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Administrator thinks that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Andrew Fender will be appointed Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with

**Blackstar Wealth Management Ltd - In Administration
Statement of Administrator's Proposals
Pursuant to Schedule B1 of the Insolvency Act 1986**

Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved; or

- (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Administrator may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Andrew Fender may ask the court that they be appointed Liquidator.

Dated: 4 October 2019



**Andrew Fender
Administrator**

Andrew Fender was appointed Administrator of Blackstar Wealth Management Ltd - In Administration on 13 August 2019. The affairs, business and property of the Company are managed by the Administrator. The Administrator's act as agents of the Company and contract without personal liability.

Blackstar Wealth Management Ltd - In Administration**DEFINITIONS**

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Administrator's Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Administrator	Andrew Fender
The Company	Blackstar Wealth Management Ltd - In Administration
The Court	Birmingham Business and Property Courts
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Blackstar Wealth Management Ltd - In Administration**STATUTORY INFORMATION**

Company Name	Blackstar Wealth Management Ltd - In Administration
Proceedings	In Administration
Court	High Court of Justice, Birmingham Business and Property Courts
Court Reference	665 of 2019
Date of Appointment	13 August 2019
Administrator	Andrew Fender, Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG
Former Registered Office Address	17 Wrens Court Lower Queen Street, Sutton Coldfield, West Midlands, B72 1RT
Company Number	06697525
Incorporation Date	15 September 2008
Company Secretary	Stuart Lowbridge (14 October 2008 to 12 July 2018)
Appointment by	Craig Humphreys (the director)
Directors at date of Appointment	Craig Humphreys
Director's Shareholdings	20 out of 100 Ordinary shares 308,000 out of 1,733,000 Class E shares

Blackstar Wealth Management Ltd - In Administration

**DIRECTOR'S STATEMENT OF AFFAIRS AS AT 13 AUGUST 2019 AND CREDITORS'
DETAILS**

Statement of affairs

Name of Company
Blackstar Wealth Management Ltd

Company number
06697525

In the High Court of Justice
Business and Property Courts in Birmingham
Insolvency and Companies List

Court Case Number
665 of 2019

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) Blackstar Wealth Management Limited, 17 Wrens Court,
Lower Queen Street, Sutton Coldfield, West Midlands, B72 1RT

on (b) 13 August 2019, the date that the company entered administration.

Statement of Truth

(b) Insert date

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 (b) 13 August 2019 the date
that the company entered administration.

Full name CRAIG JOHN HUMPHREYS

Signed 

Dated 27/9/19

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to a fixed charge:		
None		Nil
Assets subject to a floating charge:		
None		Nil
Uncharged assets:		
Intercompany Loan (Blackstar Wealth Management A Ltd)	123,950	12,395
Debtors	42,131	10,532
Client Contracts	15,000	7,500
Cash at Bank	428	428
HMRC S.455 Tax Repayment	37,500	Nil
Intercompany Loan (Atlantis Capital Ltd)	1,330,977	Nil
Third Party Company Loan (Patent Capital Ltd)	1,200,000	Nil
Director's Loan Account (C Humphreys)	150,000	Nil
Causes of Action (various parties)	3,300,000	Nil
Unpaid Share Call	1,715,670	Nil
		<hr/> 30,855
Surplus from assets subject to a fixed charge		Nil
Estimated total assets available for preferential creditors		<hr/> 30,855

Signature



Date

27/9/19

A1 – Summary of liabilities

	Estimated to Realise £	
Estimated total assets available for preferential creditors (carried from page A)		30,855
Liabilities		
Preferential creditors:		
Employee Claims	(12,304)	
Total Preferential Claim		(12,304)
Estimated deficiency / surplus as regards preferential creditors:		
Estimated total assets available for floating charge holders		18,551
Debts secured by floating charges		
None	Nil	
Estimated deficiency/surplus of assets after floating charges		18,551
Total assets available to unsecured creditors		18,551
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors	(31,985)	
Client Claims via FOS	(595,721)	
Director's Claim (C Humphreys)	(324,667)	
Employee Claims	(117,800)	
HM Revenue & Customs (PAYE)	(12,395)	
HM Revenue & Customs (Disputed)	(1,187,834)	
		(2,270,402)
Estimated surplus / deficiency as regards non-preferential creditors		(2,251,851)
Issued and called up capital		
Ordinary	(100)	
Class E	(1,733,000)	
		(1,733,100)
Estimated total deficiency / surplus as regards members		(3,984,951)

Signature



Date 27/9/19

B - COMPANY CREDITORS

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value of security
The Blackstar Group SIPP	C/o Shortland Parley Chartered Surveyors, 17 Market Street, Atherstone, Warwickshire, CV9 1ET	Trade creditor	£885.00			
PWC	1 Hays Lane, London, SE1 2RD	Trade creditor	£28,778.66			
Premium Credit Limited	Emyn House, Emyrn Way, Leatherhead, Surrey, KT22 8UX	Trade creditor	£2,322.06			
C Humphreys	17 Wrens Court, Lower Queen Street, Sutton Coldfield, B72 1RT	Director's claim	£324,667.00			
HM Revenue & Customs (PAYE)	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	HMRC	£12,395.02			
HM Revenue & Customs (Disputed)	Newcastle, NE98 1ZZ	HMRC	£1,187,834.07			
Totals			£1,556,881.81			

* Denotes a Creditor claiming Retention of Title

Signature 

Date 27/9/19

D - COMPANY MEMBERS

Name of shareholder or member	Address (with postcode)	Type of share	Nominal value	No. of shares	Amount per share called up	Total amount called up
Peter Snowden	Address provided	Ordinary	£1.00	20	£1.00	£20.00
"	Address provided	Class E	£1.00	475,000	£1.00	£475,000.00
Ian Fitzpatrick	Address provided	Ordinary	£1.00	20	£1.00	£20.00
"	Address provided	Class E	£1.00	475,000	£1.00	£475,000.00
Jason Dobson	Address provided	Ordinary	£1.00	20	£1.00	£20.00
"	Address provided	Class E	£1.00	475,000	£1.00	£475,000.00
Craig Humphreys	Address provided	Ordinary	£1.00	20	£1.00	£20.00
"	Address provided	Class E	£1.00	308,000	£1.00	£308,000.00
Stuart Lowbridge	Address provided	Ordinary	£1.00	20	£1.00	£20.00

Signature  Date 27/9/19

Blackstar Wealth Management Ltd - In Administration

Schedule of Special Creditor Groups

Special Creditor Groups

Creditor Group	Number of creditors in group	Total amount of claims (estimated)
Employees	8	130,104
Clients	18	595,721

ATTACHMENT D

Blackstar Wealth Management Ltd - In Administration

THE ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT TO 4 OCTOBER 2019

Blackstar Wealth Management Ltd - In Administration
Receipts and Payments Account from 13 August 2019 to 4 October 2019

<u>Receipts</u>	£
None	Nil
	<hr/>
	<hr/>
	-
	<hr/>
	<hr/>
<u>Payments</u>	
None	Nil
	<hr/>
	<hr/>
	-
	<hr/>
	<hr/>
<u>Closing Balance</u>	<hr/>
	<hr/>
	0.00
	<hr/>
	<hr/>

Where funds are held, they are held in an Interest Bearing Account

APPENDIX II

Blackstar Wealth Management Ltd - In Administration

BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS

Sanderlings LLP

Time & Chargeout Summaries

To 12 August 2019

Blackstar Wealth Management Limited

Pre-Appointment Time Costs

Classification Of Work Function	Partner	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	5.50	0.00	2.30	7.80	2,655.00	340.38
Investigations	0.00	0.00	0.00	0.00	0.00	0.00
Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	2,310.00	0.00	345.00		2,655.00	
Total Hours	5.50	0.00	2.30	7.80		
Average Rate	420.00	300.00	150.00			340.38

APPENDIX III

Blackstar Wealth Management Ltd - In Administration

CHARGE-OUT RATES AND BASES OF DISBURSEMENTS

es

The fees of the Trustee/Liquidator/Supervisor/Administrator (appointed IP) are fixed by reference to time properly spent by the appointed IP and his staff in ending to all matters arising in the Bankruptcy/Liquidation/Voluntary Arrangement/Administration (case) unless otherwise agreed with the creditors. The appointed IP and his staff charge time to all insolvency cases in units of 6 minutes. The Trustee/Liquidator/Supervisor/Administrator reserves the right to charge interest at a rate of 2% above bank base rate on unrecovered work in progress.

The charge-out rates for the various categories of staff are as follows:-

	Charge Out Rate per Hour £
Appointed Partner (Trustee, Supervisor, Liquidator, Administrator, Administrative Receiver)	420
Partner/Senior Manager	300
Manager	230
Case Administrator	150
Support staff (only to be chargeable for periods of 1 hour or more)	110
Junior	45

Standard Activity	Examples of Work
Statutory Compliance, administration & planning	Statutory reporting and compliance, compliance with other regulatory requirements, case planning, administrative set up, appointment notification, maintenance of records, SIP 2 review, CDDA reports, Investigating antecedent transactions
Investigations	Identifying, securing, insuring assets, Retention of title, Debt collection
Realisation of assets	Property, business and asset sales
Trading	Management of operations, accounting for trading, on going employee issues
Creditors	Communication with creditors, Creditors' claims (including employees and other preferential creditors)

Disbursements - Category 2 Disbursements

When dealing with the case, the appointed IP will incur expenses and disbursements that are recoverable from the assets available in the case in accordance with the Insolvency (England and Wales) Rules 2016 where appropriate (e.g. Rule 3.51 in Administrations and Rule 6.42 in CVLs). In addition to out of pocket expenditure, the appointed IP will also recover shared or allocated costs. These may be referred to as category 2 disbursements. Where applicable, such category 2 type disbursements are calculated as follows:-

Expense Type	Basis of Charge
For all official stationery, printing postage and telephone charges, including notices to creditors and contributories in respect of the first meetings of creditors and contributories:	(i) for a number of creditors and Contributories not exceeding 25, £175 (ii) for every additional 10 creditors and contributories or part thereof, £40
Where any other meetings of creditors or contributories are held, for summoning and holding the meetings and for statutory circulars:	(iii) for a number of creditors and Contributories not exceeding 25, £155 (iv) for every additional 10 creditors and contributories or part thereof, £20

All other expenses and disbursements are recovered as follows:

Expense Type	Basis of Charge
Room Hire (for each statutory meeting of creditors)	£175.00 per meeting
Mileage	35-95p per mile
Company search costs	£45 per search
Storage of company books and records	£2.50 per box per quarter*

Where funds permit, a charge for storage of boxes for 12 months after closure of the case is made to cover storage costs until such time as destruction of the records is permitted. Minimum charge of £200 to cover administration.

Should any creditor require further clarification in respect of fees or expenses, then please contact the appointed IP or case manager as identified in the correspondence concerning the case in question.

INFORMATION

Within 21 days of receipt of this progress report a creditor may request that I provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) or the permission of the court. You also have a right to challenge my remuneration and expenses.

I am obligated to provide the requested information within 14 days, unless I consider that the time or cost involved in preparing the information would be excessive, or disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or I am subject to an obligation of confidentiality in relation to the information requested, in which case I must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of my refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information. As an insolvency practitioner I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

APPENDIX IV

Blackstar Wealth Management Ltd - In Administration

BREAKDOWN OF THE ADMINISTRATOR'S TIME COSTS TO 27 SEPTEMBER 2019

Sanderlings LLP

Time & Chargeout Summaries

Blackstar Wealth Management Limited

Administration Time Costs

To 27 September 2019

Classification Of Work Function	Partner	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	23.00	1.00	32.80	56.80	13,420.50	236.28
Investigations	1.00	0.00	2.40	3.40	580.50	170.74
Asset Realisation	4.00	0.00	2.90	6.90	2,115.00	306.52
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.00	0.00	31.50	39.50	6,142.50	155.51
Total Fees Claimed £	15,120.00	300.00	6,838.50		22,258.50	
Total Hours	36.00	1.00	69.60	106.60		
Average Rate	420.00	300.00	98.25			208.80

Blackstar Wealth Management Ltd - In Administration

INFORMATION TO SUPPORT THE ADMINISTRATOR'S FEE PROPOSAL

Details of the work I propose to undertake:-	Time anticipated in hours (charged in 6 minute units)		Cost £
Compliance matters and cashiering, including but not limited to calculation and payment of the Bordereau liability and monitoring the Bordereau level, preparation and submission of statutory returns and statutory requirements for advertising, reviewing ethical, anti-money laundering and anti-bribery safeguards, completion of post appointment formalities, bank account administration, periodic reviews and updating checklists, preparation and documentation, creditor decisions, for proposals reports and 6 month reports and associated compliance requirements, final report and formalities at completion of the Administration	Administrator	14.0	5,880
	Other Senior Professional	2.0	600
	Case Administrator	35.0	5,250
Case planning and discussions regarding strategies to be pursued, meetings with staff, directors and advisors to consider the practical, technical and legal aspects of the case, including communication, compliance with regulatory requirements, and all other dealings with the Financial Conduct Authority, Financial Ombudsman Service, and company clients	Administrator	24.0	10,080
	Other Senior Professional	3.0	900
	Case Administrator	27.0	4,050
Realisation of assets to include negotiation and sale of the company's client contracts, including communication with advisors and interested parties, preparation and completion of the Asset Sale Agreement, review of the Director's Loan Account and recovery of any amount owed to the company, receipt and reconciliation of debtor income and cash at bank, as well as pursuing other assets detailed in the director's Statement of Affairs such as company loans, causes of action and the unpaid share call, correspondence and communication regarding Hire Purchase assets and Retention of Title claims if applicable, review of records in respect of any potential claims for intellectual property, VAT, corporation tax, insurance, and any other inter-company accounts	Administrator	16.0	6,720
	Other Senior Professional	2.0	600
	Case Administrator	33.0	4,950
Communication with creditors including dealing with all enquiries, any applicable client claims and employee claims, to include communication with clients and their representatives, the Redundancy Payments Service and pension scheme administrators as well as agreement of claims and distribution of funds if appropriate, review of correspondence, receipt of Proofs of Debt, consideration of HMRC correspondence, tax liabilities and requirements as to compliance	Administrator	11.0	4,620
	Other Senior Professional	1.0	300
	Case Administrator	28.0	4,200
Completion of duties in respect of the Company Directors Disqualification legislation and investigation of company's affairs, including recovery of books and records, information from third sources such as bank statements, review of secured creditors and the validity of security, review and comparison of the last available set of accounts against the Statement of Affairs. Review of records and bank statements for at least the last 12 months, looking for any anomalous payments, analysing the position of creditors including hire purchase and Crown liabilities. Consideration as to whether any antecedent transactions have occurred, such as preference or transactions at undervalue, liaising with solicitors in this regard, and reviewing questionnaires and information submitted by directors and creditors. Submission of findings to the Insolvency Service	Administrator	2.0	840
	Other Senior Professional	0.0	0
	Case Administrator	8.0	1,200
Estimate total maximum fees to be charged			50,190

Expenses Estimate for Blackstar Wealth Management Limited in Administration

Below are the expenses estimates in respect of category 1 direct expenses and category 2 expenses which will have an element of shared or allocated costs.

My estimate for my category 1 expenses for the period of the case is £10,396.20.

My estimate for my category 2 expenses for the period of the case is £420.00 and I am seeking a resolution for approval of the basis of calculation of these expenses.

Expenses Category 1	Basis	Estimate of total £
Legal costs JSCS Ltd were instructed by the Administrator to provide advice on various matters, including dealing with the Financial Conduct Authority, communication with clients, the sale of client contracts, as well as generally on other issues from time to time	Time costs	10,000.00
Anti-money laundering check	Fixed	10.00
Advertising	Fixed	80.20
Bonding	Fixed	196.00
VisionBlue/INSOLV fee	Fixed	110.00
Total		10,396.20

Expenses Category 2	Basis	Estimate of total £
Stationery / printing / postage / telephone	Calculated per creditor	175.00
Company Search	Estimated cost	45.00
Storage	Estimated cost	200.00
Total		420.00

Blackstar Wealth Management Ltd - In Administration

NOTICE OF DECISION PROCEDURE / VOTING FORM / PROOF OF DEBT

NOTICE OF DECISION PROCEDURE

Company Name: Blackstar Wealth Management Ltd - In Administration ("the Company")
Company Number: 06697525

In the Birmingham Business and Property Courts no. 665 of 2019

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Administrator of the Company, Andrew Fender of Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG, (telephone number 01564 700 052), who was Appointed by Directors.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The basis of the Administrator's fees
2. The establishing of a Creditors' Committee, if sufficient nominations are received and those *nominated are willing to be members of a Committee*¹
3. The approval of the Administrator's Category 2 disbursements
4. The approval of the pre-Administration costs
5. The timing of the Administrator's discharge

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Administrator's by one of the methods set out below:

By post to: Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG
By email to: info@sanderlings.co.uk

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the Decision Date set out below. An email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by the Decision Date: 23.59 on 23 October 2019.

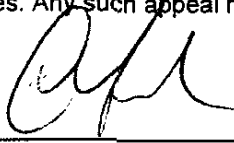
If the Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the Decision Date.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions.

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

A handwritten signature in black ink, appearing to read 'A. Fender', is written over a horizontal line.

Andrew Fender
Administrator

Dated: 4 October 2019

VOTE BY CORRESPONDENCE

Company Name: Blackstar Wealth Management Ltd - In Administration ("the Company")
Company Number: 06697525

In the Birmingham Business and Property Courts no. 665 of 2019

Name of Creditor: _____

Address: _____

Decisions:

1	That the Administrator's fees be fixed by reference to the time given by the Administrator and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Sanderlings LLP at the time the work is performed (plus VAT).	*For / Against
2	That a Creditors' Committee be established if sufficient nominations are received and those nominated are willing to be members of a Committee. ²	*For / Against
3	That the Administrator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Sanderlings LLP's summary.	*For / Against
4	That the unpaid pre-Administration costs set out in the Administrator's Proposal be approved.	*For / Against
5	That the Administrator be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Administrator ceases to have effect, as defined by the Act, unless the court specifies a time.	*For / Against

* Please delete as applicable to indicate your voting instructions

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? Yes / No

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 23 October 2019, by:
Post: Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG
Email: info@sanderlings.co.uk

² Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.

PROOF OF DEBT - GENERAL FORM

Company Name: **Blackstar Wealth Management Ltd - In Administration ("the Company")**

Date of Administration: 13 August 2019

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	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	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount(s) claimed as preferential £
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO

APPENDIX VII

Blackstar Wealth Management Ltd - In Administration

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: Blackstar Wealth Management Ltd - In Administration ("the Company")
Company Number: 06697525

In the Birmingham Business and Property Courts no. 665 of 2019

This Notice is given under Rule 3.39 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Administrator of the Company, Andrew Fender of Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG, (telephone number 01564 700 052), who was Appointed by Directors.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Administrator by one of the following methods:

By post to: Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG
By email to: info@sanderlings.co.uk

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the date set out below. An email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 23.59 on 23 October 2019

Nominations can only be accepted if the Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to: <https://goo.gl/VRZ78f>



Andrew Fender
Administrator

Dated: 4 October 2019

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

Company Name: Blackstar Wealth Management Ltd - In Administration ("the Company")
Company Number: 06697525

In the Birmingham Business and Property Courts no. 665 of 2019

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No