

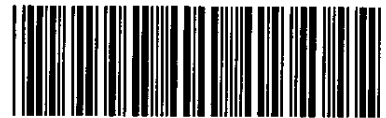
AM10

Notice of administrator's progress report



Companies House

TUESDAY



A8ZJWJ1U

A13

25/02/2020

#247

COMPANIES HOUSE

1 Company details

Company number 07159805

Company name in full Enmodus Limited

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

2 Administrator's name

Full forename(s) Paul

Surname Wood

3 Administrator's address

Building name/number St James Court

Street St James Parade

Post town Bristol

County/Region

Postcode BS13LH

Country

4 Administrator's name ①

Full forename(s) Simon Robert

Surname Haskew

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

5 Administrator's address ②

Building name/number St James Court

Street St James Parade

Post town Bristol

County/Region

Postcode BS13LH

Country

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

AM10

Notice of administrator's progress report


6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9	
To date	^d 3	^d 1	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X  X								
Signature date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Clive Hobbs**

Company name **Begbies Traynor (Central) LLP**

Address **St James Court**

St James Parade

Post town **Bristol**

County/Region

Postcode **B S 1 3 L H**

Country

DX

Telephone **0117 937 7130**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Paul Wood and Simon Robert Haskew were appointed joint administrators on 1 August 2019

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Enmodus Limited (In Administration)

Progress report of the joint administrators

Period: 1 August 2019 to 31 January 2020

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1. Account of receipts and payments
 - 2. Time costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Enmodus Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 August 2019
"the administrators" "we" "our" and "us"	Paul Wood of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Enmodus Limited
Trading name(s):	As above
Date of Incorporation:	17 February 2010
Company registered number:	07159805
Company registered office:	St James Court, St James Parade, Bristol, BS1 3LH

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Paul Wood of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
------------------------------	---

Date of administrators' appointment:	1 August 2019
Date of administrators' resignation:	N/A
Court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency and Companies List (CHD)
Court Case Number:	CR2019-BRS000130
Person(s) making appointment / application:	The Directors
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 1 August 2019 to 31 January 2020.

Receipts

Equipment & Stock, Intellectual Property & Goodwill etc.

As advised in our Statement of Proposals ("Proposals"), we received £30,000 from SBAAS Solutions Ltd in relation to the sale of the Company's business and assets. This comprised £4,996 for the equipment and stock, £25,000 for the intellectual property rights, £1 for the goodwill, £1 for the contracts, £1 for the customer list and £1 for the records.

As discussed in our previous report, the assets were professionally valued on 26 July 2019 by Eddisons Industrial Valuers and Auctioneers Ltd ("Eddisons"), the individual within Eddisons who prepared the valuation is MNAVA qualified, the valuation was prepared on an in-situ and ex-situ basis.

Eddisons also carried out the marketing and advertising of the business for sale, this included contacting interested parties, setting up a data room and reviewing the offers received. A full description of the work carried out can be found in our Proposals which were sent to all known creditors on 18 September 2019.

Lawyers, Osborne Clarke LLP ("OCL") who specialise in insolvency advised and prepared the sale and purchase agreement.

Cash at Bank

The Company's bank account was in credit at the date of appointment, in which the balance of £25,742.90 was subsequently requested and has since been transferred to the joint administrators. We do not expect any further realisation from this source.

Bank Interest Gross

Gross interest of £10.18 has been received during the period, this will be accounted for in our Corporation Tax ("CT") return.

Payments

Agents Fees

We instructed Lodestone Solutions Limited to assist with the administration of the Company, their fees of £1,750 have been settled in full during the period.

In addition, Eddisons have been paid £3,245 in respect of their costs for marketing and advertising of the business. They have also been paid £908 in respect of their pre-appointment fees in respect of their valuations, this in accordance with our Proposals sent to all known creditors on 18 September 2019.

Legal Fees

As previously discussed, we instructed lawyers, OCL, to deal with the relevant legal matters and to provide the required legal documentation in relation to the sale and purchase agreement. Their fee for providing this work totalled £12,247 and has been paid in full.

In addition, OCL also provided pre-appointment advice and assistance in preparing and lodging the administration appointment documents. Their fee of £2,894 plus VAT has been paid in accordance with our Proposals sent to all known creditors on 18 September 2019. Further information can be found at section 6 of this report.

Administrators' Pre-Appointment costs

Our pre-appointment fees of £14,959 have been paid in accordance with The Work as outlined in our Proposals sent to all known creditors on 18 September 2019. As above, further information can be found at section 6.

Administrators' Fees

Following approval by the secured and preferential creditors of the Company on 4 October 2019, the Administrators have drawn fees in respect of the post appointment period of £15,000 and disbursements of £306.

Employee Advice

ERA Solutions Limited were instructed to assist with dealing with the claims of the employees, they also liaised with the Redundancy Payments Service and ensured claims were dealt with in a timely manner. Their fee for providing this service was £1,000 plus VAT and has been paid in full.

Insurance of Assets

Costs of £265 plus VAT relating to insurance cover for the period ending at the completion of the sale of the business and assets have been paid in full.

Maintaining Company's Servers

In order to sell the business, it was imperative that the Company servers were maintained, the costs incurred totalled £2,340 and have been settled in full.

All costs have been paid, as shown in the receipts and payments account at Appendix 1.

All professional costs are reviewed and analysed in detail prior to payment being approved.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been descry

bed, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

Insolvency Practitioners are required by statutory insolvency legislation, to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that materially affect the case. The time charged reflects this, together with the time spent on dealing with periodic case reviews.

These tasks are a necessary part of the engagement, but do not generate any direct financial benefit for creditors, however without them, other aspects of the case which do provide a quantifiable benefit to creditors would have been less efficient.

Compliance with the Insolvency Act, Rules and best practice

As above, there is no direct financial benefit to the creditors, however we are required to comply with various statutory and compliance reporting requirements. To date, we have fulfilled our statutory duties by:

- Reporting to the Registrar of Companies;
- Statutory advertising;
- Ensuring the administrators' statutory specific bond is in place;
- Carry out investigations into the Company's affairs;
- Corresponding with government departments; and
- Preparation of this report in order to advise upon the progress made in the period, together with our proposals.

This category also includes cashiering and accounting. We are obliged to keep a record of all transactions entered into, thus time costs have been incurred in reconciling the bank account and producing the receipts and payments account.

Investigations

We have carried out our investigations within the statutory time frame available. As administrators' we have a statutory duty to submit a report to the Department for Business, Energy & Industrial Strategy ("DBEIS"). I can confirm that this report has been submitted. Please note the report is a confidential document between the DBEIS and the administrators.

Realisation of assets

The assets in the administration comprised mainly Intellectual Property, Equipment and Stock and Cash at Bank.

A considerable amount of time has been spent in this area which was of direct benefit to creditors. This involved negotiating a sale of the business and concluding the sale.

As discussed in our Proposals, the sale concluded on 12 September 2019 to SBAAS Solutions Limited.

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

Based on information received from the Company, the estimated unsecured creditor claims were £332,087. To date, we have received claims totalling £232,596. On present information, there are insufficient funds to enable a distribution to the unsecured creditors of the Company.

Furthermore, as a result of the impending administration, all employees were made redundant prior to our appointment, thus have a preferential claim. Therefore, a Notice of Intended Dividend will be sent under separate cover.

In addition, during the course of our appointment, we wrote to the creditors of the Company advising of our appointment and answered any queries that were subsequently raised.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The administrator's proposals were deemed approved by the creditors on 4 October 2019.

During the course of the administration, we are required to complete post appointment VAT returns on behalf of the Company, these have been submitted accordingly during the period. CT returns are filed annually and will be filed as appropriate in due course.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

Secured creditors

Intu Shopping Centres plc – Company records show c.£262,740 as being owed. They have fixed and floating charges registered at Companies House dated 7 January 2019, which covers all freehold and leasehold property. All intellectual property owned by the borrower, together with a floating charge which covers all the property or undertaking of the company.

Breed Reply Investments Limited – Company records show c.£365,575 as being owed. They have fixed and floating charges registered at Companies House dated 7 January 2019 which covers all freehold and leasehold property. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the company.

Second Law Stitching - Company records show c.£93,317 as being owed. They have fixed and floating charges registered at Companies House dated 28 May 2019 which covers all freehold and leasehold property. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the Company.

Upon the sale of the business and assets to SBAAS Solutions Limited on 12 September 2019, the secured creditors released their claims in the Company. This effectively meant that they have been settled in full by completing this deal.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay per the director's statement of affairs were estimated at £23,824. Based on claims received, we estimate this to be figure to be £50,192.

Unsecured creditors

Claims of unsecured creditors were estimated at £332,087.

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As discussed above, the secured creditors released their claims against the Company, as a result there are no known secured creditors of the Company.

Preferential creditors

We consider that there will be sufficient funds for a small dividend to be paid to preferential creditors, and Notice of Intended Dividend will be sent under separate cover.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our Proposals.

To the best of the our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 4 October 2019 the following amounts in respect of unpaid pre-administration costs were approved by the preferential creditors:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	14,959.50	2,991.90	17,951.40
Legal costs	Osborne Clarke LLP	2,894.00	578.80	3,472.80
Agents costs	Eddisons Commercial Limited	908.30	181.66	1,089.96
TOTAL PRE- ADMINISTRATION COSTS		18,761.80	3,752.36	22,514.16

As mentioned in section 4, these costs have been paid in the period.

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 1 August 2019 to 31 January 2020 amount to £50,330 which represents 151.8 hours at an average rate of £331.55 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 31 January 2020, we have drawn the total sum of £15,000 on account of our remuneration, against total time costs of £50,330 incurred since the date of our appointment.

As can be seen from the information above, our previously approved estimate of £61,045 has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

Disbursements

To 31 January 2020, we have also drawn disbursements in the sum of £306.

Why have subcontractors been used?

The Joint Administrators instructed ERA Solutions ("ERA"), who specialise in employee claims and provide a comprehensive and professional service in employment rights act issues. ERA ensured that all employee claims were accurate in order to submit the information to the Redundancy Payments Service. This made certain that employee claims would not be delayed by any inaccurate information being provided.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn since the necessary approval was obtained in the total sum of £306 are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – to collect appointment documentation	91.80
Miscellaneous Purchase	7.49
TOTAL	99.29

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm associate has an interest	
Type and purpose	Amount £
Eddisons, which is a member of the Begbies Traynor group, has provided marketing and sales advice. The purpose of obtaining such services was to achieve a sale of the Company's business and assets	3,245.00
Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case.	265.00
TOTAL	3,510.00

Other professionals employed & their costs

Lodestone Solutions Ltd were instructed to assist with obtaining Company information, their costs were £1,750 plus VAT.

OCL who specialise in insolvency, were engaged to prepare the sale agreement, their costs totalled £12,247 plus VAT.

ERA Solutions provided assistance with employee claims, their costs totalled £1,000 plus VAT.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £19,958. The expenses that we have incurred so far have slightly exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded are as follows:

- We did not anticipate the costs of maintaining the servers. This was a necessary cost due to the risk of disconnection, in which may have jeopardised a sale of the business and assets; and
- The use of Lodestone Solutions Limited was required to gain access to the Company information.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

All known assets have been dealt with and steps are now being taken to pay a dividend to the preferential creditors of the Company and to close the administration.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Although there is no direct financial benefit to the creditors, the administrators will continue to maintain sufficient records to demonstrate how the case is being administered and will perform periodic reviews to ensure that the case matters are efficiently progressed.

Compliance with the Insolvency Act, Rules and best practice

As above, although there will be no direct financial benefit to the administration, insolvency legislation requires that the administrators carry out the following tasks, which primarily relate to the fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Statutory reports, to include progress reports to creditors;
- Ensure the case is adequately bonded and reviewed on a regular basis;
- Prepare VAT returns, together with CT returns for submission to HMRC;
- Prepare case reviews; and
- Closing preparation.

Realisation of assets

All assets have now been realised, we do not anticipate any further recoveries.

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

We will continue to answer any queries which may be received.

As discussed above, there are sufficient funds to enable a small distribution to the preferential creditors of the Company and a Notice of Intended Dividend will be sent under separate cover.

In addition, there are insufficient funds to enable a distribution to the unsecured creditors.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The administrators will continue to reclaim VAT periodically and submit CT returns on an annual basis. When appropriate, the administrators will also seek tax clearance to close and submit the final returns to HMRC. Such tasks are not necessarily of financial benefit to the creditors, but are a requirement of the Statutory Regulations / The Insolvency Act and Rules.

How much will this further work cost?

We do not anticipate our costs to exceed the fee estimate of £61,045 provided in our Proposals sent to all known creditors on 18 September 2019. A further copy of our fees estimate is attached at Appendix 4 for ease of reference.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are set out in the revised estimate of anticipated expenses attached at Appendix 3.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our Proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed

As explained in our Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. No further action is required.

Connected party transactions

In accordance with the guidance given in Statement of Insolvency Practice 13, details of the Company's transactions with connected parties during the period of this report and the two years prior to our appointment are provided below:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
12 September 2020	Acquired the business and assets of the Company.	£30,000	SBAAS Solutions Ltd	Common Director

We received two indicative offers, both being from the former directors.

After careful consideration and in the best interest of the creditors, the proposed administrators accepted the offer from John Spear, in his capacity as director of SBAAS Solutions Ltd. The sale and purchase of the business and assets to SBAAS Solutions Ltd for £30,000 concluded on 12 September 2019.

Proposed exit route from administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Paul Wood
Joint Administrator

Dated: 24 February 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 1 August 2019 to 31 January 2020

S of A £		£	£
	SECURED CREDITORS		
(365,575.00)	Breed Reply Investments Ltd	NIL	
(262,740.00)	Intu Shopping Centre	NIL	
(93,317.00)	Second Law Stitching	NIL	
			NIL
	ASSET REALISATIONS		
2,000.00	Equipment & Stock	4,996.00	
1,000.00	Chattels/Stock	NIL	
	Intellectual Property	25,000.00	
9,531.00	VAT Refund	NIL	
	Goodwill, Contracts, Customer Lists etc	4.00	
24,526.00	Cash at Bank	25,742.90	
	Bank Interest Gross	10.18	
			55,753.08
	COST OF REALISATIONS		
	Administrators' Fees - Pre-Appointment	14,959.50	
	Legal Fees - Pre-Appointment	2,894.00	
	Administrators' Fees	15,000.00	
	Administrators' Expenses	306.35	
	Agents Fees - Pre Appointment	908.30	
	Agents Fees	4,995.00	
	Legal Fees (1)	12,246.69	
	Employee Advice	1,000.00	
	Insurance of Assets	265.00	
	Maintaining Company's Servers	2,340.20	
			(54,915.04)
	PREFERENTIAL CREDITORS		
(23,824.00)	Employees re Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(74,299.00)	Trade Creditors	NIL	
(227,781.00)	Employees	NIL	
(30,007.00)	HMRC (non VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(1,397.43)	Ordinary Shareholders	NIL	
(1,437.99)	A Ordinary Shareholders	NIL	
(6,395.45)	Preferred Ordinary Shareholders	NIL	
			NIL
(1,049,716.87)			838.04
	REPRESENTED BY		
	Vat Receivable		10,483.77
	Bank 1 Current		354.27
	Funds Owed to Begbies Traynor		(10,000)
			838.04

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 1 August 2019 to 31 January 2020

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Eddisons Commercial Limited

Eddisons Commercial Limited were instructed to provide asset valuation and sales advice. Their charges for providing these services are 10% of realisations, plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Eddisons Insurance Services Limited

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £296.80 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Bristol office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

SIP9 Enmodus Limited - Administration - 30EN187.ADM : Time Costs Analysis From 01/08/2019 To 31/01/2020

[illegible]

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Advertising	The Stationery Office Limited	87.06	87.06	0.00
Bonding	Marsh Limited	120.00	120.00	0.00
Mileage		91.80	91.80	0.00
Miscellaneous Purchase		7.49	7.49	0.00
Sub-total		306.35	306.35	0.00
Legal Fees	Osborne Clarke	12,246.69	12,246.69	0.00
Agents Fees	Lodestone Solutions Limited	1,750.00	1,750.00	0.00
Employee Assistance	ERA Solutions Limited	1,000.00	1,000.00	0.00
Maintaining Company Servers	A Heaton	2,340.20	2,340.20	0.00
TOTAL		17,643.24	17,643.24	0.00
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agent's Fees	Eddisons Commercial Limited	3,245.00	3,245.00	0.00
Insurance premium	Eddisons Insurance Services Limited	265.00	265.00	0.00