

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number 0 7 1 5 9 8 0 5

Company name in full Enmodus Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts
in Bristol, Insolvency and Companies List (CHD)

Court number C R 2 0 1 9 - B R S 0 0 0 1 3 0

3 Administrator's name

Full forename(s) Paul

Surname Wood

4 Administrator's address

Building name/number St James Court

Street St James Parade

Post town Bristol

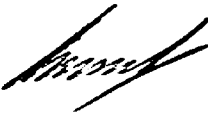
County/Region

Postcode B S 1 3 L H

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Simon Robert		
Surname	Haskew		
		① Other administrator Use this section to tell us about another administrator.	
6		Administrator's address ②	
Building name/number	St James Court		
Street	St James Parade		
Post town	Bristol		
County/Region			
Postcode	B S 1 3 L H		
Country			
		② Other administrator Use this section to tell us about another administrator.	
7		Final progress report	
		☒ I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature X  X		
Signature date	d 3 1 m 0 3 y 2 0 y 2 1		

**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 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)

Final Progress Report of the joint administrators

Period: 1 February 2021 to 31 March 2021

Important Notice

This final 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
- ❑ Outcome for creditors
- ❑ Administrators' proposals
- ❑ Summary of steps taken during the administration
- ❑ Remuneration and disbursements
- ❑ Expenses
- ❑ Creditors' rights
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3. Time costs and disbursements
 - 4. Statement of 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", "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 Act.

2. STATUTORY INFORMATION

Name of Company	Enmodus Limited
Trading name(s):	
Date of Incorporation:	17 February 2010
Company registered number:	07159805
Company registered office:	Cas Gwent Chambers, Welsh Street, Chepstow, NP16 5XG

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Paul Wood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
Date of appointment:	1 August 2019
Date of resignation:	Not applicable
Court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency and Companies List (CHD)
Court Case Number:	CR2019-BRS000130 of 2019
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	The administration was extended with the consent of creditors for a period of 12 months until 31 July 2021.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 1 February 2021 to 31 March 2021. This report should be read in conjunction with previous progress reports.

RECEIPTS

We have received a VAT refund from HM Revenue & Customs ("HMRC"), note that this will not appear in our abstract of receipts and payments as it has been allocated to the VAT control account, therefore has been offset against input VAT.

PAYMENTS

Administrators' Expenses

Administrators' expenses of £1.70 plus VAT have been paid in the period. Further information is provided in section 8.

Preferential Creditors

Preferential creditors have been paid a first and final dividend in the period. Further information is provided in section 5.

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 described, 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 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

Although there is no direct financial benefit to the administration, the administrators are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. Case planning is mandatory to ensure the orderly and efficient winding up of the insolvent estate. Case reviews have been carried out within the first month of our appointment, followed by 3 months after our appointment, then on a 6 monthly basis.

Time spent keeping the records in order is allocated to case administration and is necessary to ensure that we have complied with the Insolvency Act 1986.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require administrators to follow statutory rules and regulations such as:

- Banking, producing receipts and payments accounts and completing monthly bank reconciliations;
- Filing company information with the Registrar of Companies;
- Ensure the case is adequately bonded;
- Producing progress and final reports and declaring a first and final distribution to the preferential creditors.

Whilst there is no financial benefit to creditors in carrying out these tasks, these are a requirement of the Insolvency Act 1986 as mentioned above.

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

We have dealt with all matters raised by creditors during the period.

We have also agreed the claims of the preferential creditors and paid a first and final dividend of 1.04 pence in the £.

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

We are required to submit Corporation Tax returns to HMRC on an annual basis to account for any bank interest received in the period. We are also required to submit VAT returns regularly. Final returns have been submitted accordingly.

5. 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 were estimated at £23,824. Claims received were agreed and totalled £49,392.06.

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

Preferential creditors were paid a dividend of 1.04 pence in the pound totalling £516.03 on 11 March 2021. This includes PAYE and NI Contributions of £68.40 which were deducted from the employee's distribution and paid across to HMRC.

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 Statement of Proposals.

To the best of 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

There have been insufficient realisations to enable a distribution to the unsecured creditors.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent procedure.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

- Completing the Sale of the Business and Assets.
- Arranging immediate insurance cover over the Company's assets;
- Liaising with our agents in relation to the sale of the Company's business and assets;
- Liaising with our solicitors in relation to the sale of the Company's business and assets;
- Dealing with matters relating to employee redundancies and to coordinate employee claims for arrears of pay, holiday pay, pay in lieu of notice and redundancy pay;
- Instructing ERA Solutions Ltd to assist the employees with their redundancy and related claims;
- Liaising with the landlords of the Company's vacated premises;
- Dealing with correspondence from unsecured creditors;
- Corresponding with government departments in relation to VAT, PAYE and NIC and Corporation Tax;
- General banking and administration duties;
- Dealing with various compliance and statutory duties under the Act and the Rules including advertising our appointment, preparing the initial notification of the commencement of the administration and our proposals;
- Dealing with creditor queries;
- Dealing with post appointment VAT and Corporation Tax returns;
- Investigating and submitting our statutory report on directors' conduct;
- Performing ancillary statutory and regulatory duties;
- Reporting to creditors, seeking approval of our proposals and obtaining our discharge;
- Preparing the final report of the administration and sending Form AM23 to the Registrar to close the administration and move the Company to dissolution.

8. 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 February 2021 to 31 March 2021 amount to £4,249.50 which represents 14.8 hours at an average rate of £287.13 per hour.

The following further information in relation to our time costs and disbursements are set out at Appendix 3:

- ❑ Time Costs Analysis for the period 1 February 2021 to 31 March 2021
- ❑ Begbies Traynor (Central) LLP's charging policy

To 31 March 2021, we have drawn the total sum of £15,000 on account of our remuneration, against total time costs of £71,336.50 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 1 August 2019 to 31 March 2021 is also attached at Appendix 3.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs have been written off as irrecoverable.

As can be seen from the information above, we have exceeded the limit of our previously approved fee estimate £61,045. For the avoidance of any doubt, we have not drawn any remuneration in excess of the fee level approved and do not propose to draw fees that will exceed our fee estimate as notified to creditors on 18 September 2019.

Disbursements

To 31 March 2021, we have also drawn disbursements in the sum of £308.05.

Why have subcontractors been used?

As previously reported, the following subcontractors and professional advisers have been used during the administration.

- Lodestone Solutions Ltd were instructed to assist with obtaining Company information, their costs were £1,750 plus VAT.
- Osborne Clarke LLP who specialise in insolvency, were engaged to prepare the sale agreement, their costs totalled £12,247 plus VAT.
- ERA Solutions Limited provided assistance with employee claims, their costs totalled £1,320 plus VAT.

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.

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

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.

9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Expenses actually incurred compared to those that were anticipated

Creditors may 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. 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.

10. 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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

All known assets have been dealt with and steps are now being taken to close the administration.

12. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of 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 and action taken

As explained in our Statement of Proposals, we have undertaken an 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. As previously advised, our investigations were concluded with no matters requiring further action.

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.

Extension of administration

The administration period was extended with the consent of the preferential creditors for a period of 12 months to 31 July 2021.

Exit route from administration

We are now satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved and are implementing the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

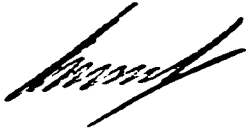
Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the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

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining 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.

13. CONCLUSION

As mentioned above, our appointment as administrators will cease to have effect shortly and the Company will be deemed to be dissolved three months later.

A handwritten signature in black ink, appearing to read 'Paul Wood', with a stylized, sweeping flourish extending from the end.

Paul Wood
Joint Administrator

Date: 31 March 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 1 February 2021 to 31 March 2021

Statement of Affairs £	From 01/02/2021 To 31/03/2021 £	From 01/08/2019 To 31/03/2021 £
ASSET REALISATIONS		
	Bank Interest Gross	10.21
24,526.00	Cash at Bank	25,742.90
1,000.00	Chattels/Stock	NIL
2,000.00	Equipment & Stock	4,996.00
	Goodwill, Contracts, Customer Lists et	4.00
	Intellectual Property	25,000.00
9,531.00	VAT Refund	NIL
		55,753.11
COST OF REALISATIONS		
	Administrators' Expenses	308.05
	Administrators' Fees	15,000.00
	Administrators' Fees - Pre-Appointment	14,959.50
	Agents Fees	4,995.00
	Agents Fees - Pre Appointment	908.30
	Employee Advice	1,320.00
	Insurance of Assets	265.00
	Legal Fees - Pre-Appointment	2,894.00
	Legal Fees (1)	12,246.69
	Maintaining Company's Servers	2,340.20
	Sundry VAT	0.68
		(55,237.08)
PREFERENTIAL CREDITORS		
	Employees re Arrears/Hol Pay	280.66
	PAYE/NIC deductions from pref divide	68.40
	RPO re Arrears/Holiday Pay	166.97
		(516.03)
		0.00
REPRESENTED BY		
		0.00

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved by decision of creditors via a deemed consent procedure.

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

In order to achieve the first purpose of an administration, the administrators must be able to rescue the Company as a going concern. However, this was not achievable as the Company had significant unsecured creditor liabilities and therefore, a restructuring of these creditors would have been required to meet the first objective of an administration. Based on the available financial information, there was insufficient value placed on the Company's assets in order to affect a restructuring of the Company's considerable debt and the administrators concluded that the first option was not possible to achieve.

We consider that this objective specified in sub-paragraph 3(1)(c) is more likely, as the sale of the chattel assets will enable us to make a distribution to the preferential creditors.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisations of the Company's property. The principal matters to deal with in the administration are:

- Investigate the Company's affairs to establish any causes of action, and reporting on the conduct of the directors;
- Ensuring that any unresolved issues concerning the Company's affairs are concluded; and
- Obtaining the necessary clearances to conclude the administration.

Following these events, we propose to finalise distributions to the preferential creditors and subsequently move the Company to Dissolution.

Exit 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.

Extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude our investigation into the Company's affairs. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may, therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Creditors' Voluntary Liquidation ("CVL")

However, in the event that circumstances change and we are of the opinion that a distribution will be made to the unsecured creditors of the Company, other than by virtue of the prescribed part, then the proposed exit route will be by CVL.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

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 creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 1 February 2021 to 31 March 2021; and
- c. Cumulative Time Costs Analysis for the period from 1 August 2019 to 31 March 2021.

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 guidance indicates

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

² Ibid 1

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.

Time is recorded in 6 minute units.

SIP9 Enmodus Limited - Administration - 30EN187.ADM : Time Costs Analysis From 01/08/2019 To 31/03/2021

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

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				
Storage	Restore	0.21	-	0.21

CUMULATIVE STATEMENT OF 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	182.08	87.06	95.02
Bonding	Marsh Limited	120.00	120.00	-
Storage	Restore	1.26	-	1.26
Postage	Postworks	117.80	1.70	116.10
Sub-total		421.14	208.76	212.38
Legal Fees	Osborne Clarke	12,246.69	12,246.69	-
Agents Fees	Lodestone Solutions Limited	1,750.00	1,750.00	-
Employee Assistance	ERA Solutions Limited	1,320.00	1,320.00	-
Maintaining Company Servers	A Heaton	2,340.20	2,340.20	-
Sub-total		18,078.03	17,865.65	212.38
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agent's Fees	Eddisons Commercial Limited	3,245.00	3,245.00	-
Insurance premium	Eddisons Insurance Services Limited	265.00	265.00	-
Mileage		91.80	91.80	-
Miscellaneous Purchase		7.49	7.49	-
TOTAL		21,687.32	21,474.94	212.38