

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 0 7 8 9 3 3 9 5

Company name in full The House Crowd 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 Manchester

Court case number C R 2 0 2 1 M A N 0 0 0 1 1 1

3 Administrator's name

Full forename(s) Jeremy

Surname Woodside

4 Administrator's address

Building name/number Third Floor

Street 196 Deansgate

Post town Manchester

County/Region

Postcode M 3 3 W F

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5**Administrator's name ①**

Full forename(s)

Rehan

Surname

Ahmed

① Other administrator

Use this section to tell us about another administrator.

6**Administrator's address ②**

Building name/number

2nd Floor

Street

Arcadia House

Post town

15 Forlease Road

County/Region

Maidenhead

Postcode

S L 6 1 R X

Country

② Other administrator

Use this section to tell us about another administrator.

7**Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

Directors

8**Proposed liquidator's name**

Full forename(s)

Jeremy

Surname

Woodside

Insolvency practitioner number

9 5 1 5

9**Proposed liquidator's address**

Building name/number

Third Floor

Street

196 Deansgate

Post town

Manchester

County/Region

Postcode

M 3 3 W F

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Rehan
Surname	Ahmed
Insolvency practitioner number	2 0 3 9 0 <input type="text"/> <input type="text"/> <input type="text"/>

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address^②

Building name/number	2nd Floor
Street	Arcadia House
Post town	15 Forlease Road
County/Region	Maidenhead
Postcode	S L 6 <input type="text"/> 1 R X <input type="text"/>
Country	


② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date	^d 2 ^d 4 ^m 0 ^m 8 ^y 2 ^y 0 ^y 2 ^y 3
To date	^d 2 ^d 0 ^m 0 ^m 2 ^y 2 ^y 0 ^y 2 ^y 4

13 Final progress report☒ I have attached a copy of the final progress report.**14** Sign and date

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

**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 **Heather Barnes**

Company name **Quantuma Advisory Limited**

Address **Third Floor**

196 Deansgate

Post town **Manchester**

County/Region

Postcode **M 3 3 W F**

Country

DX

Telephone **0161 6949144**

**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 and dated 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Frank

Surname

Wessely

3 Insolvency practitioner's address

Building name/number

2nd Floor

Street

Arcadia House

Post town

15 Forlease Road

County/Region

Maidenhead

Postcode

S L 6 1 R X

Country

IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER
CR2021MAN000111

THE HOUSE CROWD LIMITED - (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' FINAL ACCOUNT

20 February 2024

This report has been prepared for the sole purpose of updating the creditors for information purposes. 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Frank Ofonagoro, Jeremy Woodside and Frank Wessely of Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF, were appointed Joint Administrators of The House Crowd Limited on 24 February 2021. Rehan Ahmed replaced Frank Ofonagoro as Joint Administrator on 5 December 2023. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

CASS	Client Assets Sourcebook (Financial Conduct Authority)
CVL	Creditors' Voluntary Liquidation
FCA	Financial Conduct Authority
Group	The House Crowd Limited, its subsidiaries, investments and House Crowd Developments and all HCD & HCP SPVs
HCD(s)	House Crowd Development SPVs typically named House Crowd Development 1, 2, etc.
HCF	House Crowd Finance Limited (in Administration)
HCFA	House Crowd Finance (Security Agent) Limited (in Administration)
HCP(s)	House Crowd Property SPVs typically named House Crowd Project 1, 2, etc.
HCPM	House Crowd Property Management Limited (in Administration)
HMRC	Her Majesty's Revenue & Customs
IFISA	Innovative Finance ISA
Investor / Retail Lender	A registered member of the Platform
IPA	Insolvency Practitioners Association
ISA	Individual Savings Account
IT	Information Technology
JMW	JMW Solicitors LLP
LLP	Limited Liability Partnership
MangoPay	MangoPay SA
NI	National Insurance
PAYE	Pay-as-you-earn Tax
Payroll Options	Payroll Options Limited
POD	Proof of Debt form
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
Previous Progress Reports	The five Progress Reports issued by the Joint Administrators since their appointment
Reporting Period	Period covered by the report from 24 August 2023 to 20 February 2024
ROC	Registrar of Companies

RPO	The Redundancy Payments Office
ShareIn Platform	https://www.thehousecrowdisa.com/
SIP	Statement of Insolvency Practice (England & Wales)
SPV	Special Purpose Vehicle
THC	The House Crowd Limited (in Administration)
The Act	The Insolvency Act 1986
The Company	The House Crowd Limited (in Administration)
The Court	High Court of Justice Business and Property Courts in Manchester
The Court Order	High Court Order (Business & Property Courts) Court order CR2021-MAN-000118
The House Crowd Business	Collectively THC, HCF, HCFSA, HCPM, HCD SPVs, HCP SPVs
The Joint Administrators	Rehan Ahmed, Jeremy Woodside and Frank Wessely
The Rules	The Insolvency (England & Wales) Rules 2016
The Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
VAT	Value Added Tax
Whole Period	Period covered by the report from 24/02/2021 to 20/02/2024
Woodside Corporate	Woodside Corporate Services Limited

INTRODUCTION

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our last report dated 21 September 2023.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

The report has been prepared in accordance with insolvency legislation to provide members and creditors, the Registrar of Companies, investors in the various House Crowd loans and the Court with details of the progress made during the Reporting Period, and with an overview of the conduct of the Administration and summary of the information provided in the Previous Progress Reports that have been issued during the Administration. Copies of these reports are available on request.

The Joint Administrators' proposals were approved by creditors on 4 May 2021. A formal notice confirming this was sent to all creditors on 10 May 2021. Attached at Appendix 2 is a summary of the Joint Administrators Proposals, as approved.

The Administration was scheduled to end on 23 February 2022 but the term of the Administration was originally extended by 12 months with the consent of the relevant creditors on 4 January 2022. Two further extensions of 6 months each were granted by the Court on 27 January 2023 and 15 August 2023 respectively. These extensions were granted in order to allow the successful transfer of the IFISA accounts managed by the House Crowd to a new ISA manager.

The IFISA accounts were transferred to ShareIn on 8 January 2024 and as such, we are now taking steps to close the Administration and move to Creditors Voluntary Liquidation.

The Administration is now scheduled to end automatically on 24 February 2024.

Details of the appointment of the Joint Administrators

Jeremy Woodside, Frank Ofonagoro and Frank Wessely of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 24 February 2021.

Frank Ofonagoro was replaced by Rehan Ahmed also of Quantuma Advisory Limited on 5 December 2023.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

THE PROGRESS OF THE ADMINISTRATION

Court Applications

ISA Transfer

The Joint Administrators wrote to IFISA investors on 24 August 2023 informing them of the cessation of the Company to act as an ISA manager for the various House Crowd ISA portfolios due to its impending exit from Administration into Creditor's Voluntary Liquidation.

This letter also gave investors the opportunity to transfer their IFISA to an alternative ISA Manager.

A follow up letter was sent on 1 November 2023 providing details of the upcoming transfer to ShareIn, and set the transfer date of 8 January 2024.

The Joint Administrators can confirm that the transfer was successfully carried out on 8 January 2024 and all IFISAs were included in the transfer. All investors have been made aware in subsequent correspondence that a new investor portal has been setup on the ShareIn platform, allowing them to view the information relating to their IFISA account.

First Court proceedings

As previously reported, the Joint Administrators made an application to Court in respect of the proposed basis on which they will fund their remuneration and third-party costs of the Administration process.

Following a Court hearing on 28 July 2022, the Court made an Order approving the Joint Administrators' basis for paying their remuneration and associated third party costs to undertake the Administration process, and a copy of the sealed Court Order was provided to all investors on 20 September 2022.

Second Court proceedings

As previously explained, a subsequent court application in relation to an increase in the expenses costs and remuneration of the process was required, and the hearing was scheduled for 30 October 2023, in order to give adequate time for investor representations.

In the meantime, a Court Order dated 28 July 2023 allowed the Joint Administrators to uplift the percentage of net asset realisations from the Development and Bridging loan recoveries from 11% to 11.5% in order to provide for the increase in costs and expenses to the process.

Having heard from all relevant parties at the hearing on 30 October 2023, the Court made an Order approving the increased Joint Administrators' cost recovery basis from 11.5% to 26% of net asset realisations. A copy of this court order was made available to all investors on 5 December 2023.

Please note that the above costs specifically relate to investor related assets and associated costs. The direct costs associated with the Administration process and Company assets are detailed later in this report.

Distribution Strategy

In our last update to investors, we referenced the extensive work being undertaken to ascertain the appropriate basis on which a distribution can be made to investors according to the respective House Crowd investment products.

Retained staff of the House Crowd continue to work alongside the Joint Administrators and their legal representatives to prepare the distribution strategy. It is the intention of the Joint Administrators to make an initial submission to Court within Q1 of 2024, however, this time frame remains fluid. It is likely that following this submission the matter will be subject to additional hearings throughout 2024 before a conclusion can be reached.

It is important to note here that the position is significantly complex, whereby the legal position set out by the facility and loan agreements is at odds with the actual steps taken by the Company to distribute funds to investors prior to the Administration process. Therefore, it is crucial that a proposal be put before the Court that outlines the above variance, seeking directions as required.

Please note that the matters outlined above specifically pertain to investor related assets.

Monies held pre-Administration

As previously reported, the wider House Crowd Business' operations were structured in a manner that meant that the business did not have an obligation to abide by CASS rules which govern how any funds constituting "client monies" should be managed.

Instead, THC engaged a client money service provider, MangoPay, to manage any client monies across all of THC's investment products except the IFISA product (which was managed by Woodside Corporate). Any retail lender funds held by these service providers at the date of Administration were kept in ring fenced accounts operated by these providers.

The Joint Administrators have spent a significant amount time in liaising with the third-party payment providers (Mango pay and Woodside Corporate) in relation to non-invested client monies held by them at the commencement of the Administration.

The Joint Administrators have been able to successfully reconcile the monies held by these providers and have asked all of the concerned investors to provide their bank account details so that their funds can be returned to them.

The Joint Administrators have to date repatriated £97,408 of funds to investors during the Administration, and will look to distribute the final £4,872 during the Liquidation process. Should any funds remain outstanding, the Joint Administrators will seek legal advice regarding their inclusion in investor distributions.

Interaction with the FCA

THC remains a regulated entity falling under the ambit of the FCA's oversight.

The Joint Administrators continue to keep the FCA updated on the progress of the Administration and consult on any relevant issues.

Employees

As the wind down of the wider House Crowd business progresses, the Joint Administrators continue to review the needs of the Administration estate to ensure that costs of retained staff and consultants offer value to the Administration process.

In the Reporting Period, one further employee was made redundant on 23 October 2023. Subsequently there remains one THC employee and three consultants that continue to support the Joint Administrators in the wind-down of THC and its subsidiaries. These employees and consultants have an intrinsic knowledge of the House Crowd business and operations and are essential to the wind down and asset realisation process. They have supported the Joint Administrators in undertaking various tasks throughout the Reporting Period including, but not limited to the following: -

- Aiding the Joint Administrators in their capacity as security agent with the ongoing sales of the development properties in HCFSA;
- Aiding the Joint Administrators with the ongoing collect out process of the bridging loan book;
- Further review and preparation of redemption statements;
- Assisting with the preparation of the investor distribution strategy;
- Assisting the Joint Administrators with addressing retail lender queries; and
- Assisting in the preparation of updates to the FCA and retail lenders.

For the above reasons, the remaining staff member and consultants will continue to be retained during the CVL process.

The **Joint Administrators'** final receipts and payments account

Attached at Appendix 3 is a receipts and payments account covering the period from 24 August 2023 to 20 February 2024 together with a summary of the transactions since the outset of the Administration. The Joint Administrators confirm that the account has been reconciled with that held at the bank.

In this section, a summary of main asset realisations during the Reporting Period and in the Administration as a whole, together with details of the associated costs incurred has been provided. For a detailed list of work undertaken by the Joint Administrators as a whole, please see Appendix 5.

Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Reporting Period, primarily these tasks have included:

- Considering which exit route from Administration is appropriate and drafting this final report;
- 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 Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;

- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

Other Income

HCFSA Employee and Consultancy Recharges

As previously reported, following their appointment, the Joint Administrators established that all employees of the House Crowd Business were employed directly by THC, albeit some staff provided services across the different legal entities (e.g. HCFSA).

The costs in respect of these employees and consultants are initially met by the THC Administration estate and are subsequently recharged to the HCFSA Administration estate (these receipts are shown on the receipts and payments account at Appendix 3).

As previously advised, costs in relation to staff employed by HCPM have also been recharged to the Administration estate. However, in the Reporting Period there were no recharges in this regard.

HCFSA inter-estate funding

As previously reported, it was necessary for the Administrations of THC and its subsidiaries to occur simultaneously as although separately incorporated entities, THC's affairs were so inter-linked with its subsidiaries and that they had been operated effectively as a single business with cross pollination of resources, management and funding.

As detailed in prior reports THC is not forecast to have enough realisations to be self-sufficient. Therefore, in order to be able to continue the Administration process of THC, the insolvency estate of HCFSA has provided funding to the Administration estate of THC.

During the Reporting Period, the sum of £68,822 has been provided by HCFSA to THC, resulting in the total sum transferred totalling £398,822 across the Whole Period to pay third party professional costs together with payroll and consultancy costs. There have been no repayments in this regard in line with previous expectations.

THC will not be in a position to repay this funding from HCFSA, however, because the continuation of THC Administration is critical for the process of maximising realisations and returning capital to investors, the Court, in its Order made on 28 July 2022, ratified these steps undertaken by the Joint Administrators.

It should be noted that HCFSA has completed a move from Administration to Creditors' Voluntary Liquidation. However, members and creditors should note that this will not impact the above position in any material way.

Realisation of assets

It should be noted that only assets realised for the benefit of creditors during the Whole Period will be discussed in this report. The funds held by the Administration estate are not for the benefit of investors in the various House Crowd loans.

Book Debts - HCP SPV Loans

The directors' estimated Statement of Affairs detailed loans to various HCP SPVs with a book value of £76,018 but an "uncertain" estimated to realise value.

As previously reported, the Joint Administrators appointed an independent director of the individual HCP entities and had started the process of calculating any possible sums that may be due from the HCP entities to THC.

In addition, the directors' estimated Statement of Affairs lists an asset consisting of shares held in various HCP SPVs with a book value of £7,000 but an "uncertain" estimated to realise value.

As previously reported, the majority of the HCP properties have now been sold, and sales proceeds are being distributed back to shareholders via a solvent liquidation process. The level of funds available to shareholders differs in each HCP depending on the balance of sales proceeds and level of shares held.

As part of the reconciliation of these loans, it was noted that several of these loans were written off prior to the Joint Administrators' appointment and these write offs were confirmed to the respective HCP investors. Therefore, no further realisations will be made in this regard.

In the Reporting Period, a balance of £4,376 has been received in respect of these repayments, with a total of £58,005 being received in relation to the above across the Whole Period.

No further realisations in this regard are anticipated in the Liquidation estate.

Dividends from HCP Loans

The Joint Administrators have previously conducted a reconciliation exercise on the monies issued to investors in relation to the above-mentioned Monies held pre-Administration, and discovered that in some cases, investors had been paid out prior to our appointment by THC.

In order to correct this issue, arrangements have been put in place whereby the distributions owed to these investors relating to their positions in various HCP loans were repaid to the Administration estate instead.

During the Administration, funds totalling £5,457 have been received in this regard. The value of these ongoing realisations during the Liquidation is presently uncertain due to the nature of the Liquidation process being undergone by the HCP Companies.

Refund from FCA

The Joint Administrators have been informed that the Company was incorrectly charged by the FCA in relation to an application made in April 2018. The FCA have refunded in full the sum of £750. No further realisations are expected in this regard.

Refund of funds from HCFSA

In the prior Reporting Period, HCFSA has repaid a balance of £24,805 to THC to enable a distribution to the preferential creditors. This repayment related to funds realised at the outset of the Administration process for the benefit of creditors but were utilised on investor related matters due to a lack of funds at the time.

The Repayment of these funds (and others) was drawn to the Courts attention at the last Court Hearing and formed part of the Order made by the Court dated 27 November 2023. Further refunds will be made to the Liquidation estate in due course.

HCD20 Share Realisations

THC had previously realised £9,700 in relation to a settlement agreement involving the director of HCD20 for shares held in the Development Company.

Miscellaneous Refunds

During the Reporting Period the sum of £554 has been received from Amazon Web Services in respect of an overpayment made by the Company prior to the Joint Administrators appointment.

Office Equipment

As previously advised, the Joint Administrators completed a sale of Office Equipment to the director of THC at the outset of the Administration. Total realisations across the whole period in this regard were £100.

Rates Refund

In August 2022, the Joint Administrators received a sum of £1,317 from Trafford Council in relation to a business rates refund.

Cash at Bank

At the outset of the Administration, cash at bank totalling £110,696 was transferred from the Company accounts to the Joint Administrators' estate.

Gross bank interest

During the Reporting Period, a nominal amount of gross bank interest has been received. The total accrued across the whole period is £229.

Estimated future realisations

Claim in HCF

THC has a claim in the Liquidation of House Crowd Finance Limited (that has not yet been adjudicated upon) estimated to be in the sum of £638,470.

The Joint Administrators intend to submit a claim for the sum due and based on current information expect to receive a dividend, however, the quantum and timing of the dividend remains uncertain.

Claim in HCPM

THC has a claim in the Liquidation of House Crowd Property Management Limited (that has not yet been adjudicated upon) estimated to be in the sum of £552,797.

The Joint Administrators intend to submit a claim for the sum due and based on current information expect to receive a dividend, however, the quantum and timing of the dividend remains uncertain.

CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

There are no secured creditors holding fixed and floating charges over the Company's assets.

Preferential creditors

Following their appointment, the Joint Administrators made eight employees redundant as they were no longer needed for the Administration process.

Preferential claims relating to unpaid holiday pay/wage arrears/pension contributions were estimated at £9,700 in the Director's Estimated Statement of Affairs.

A final preferential claim totalling £10,452 was received from the Redundancy Payments Office on 21 March 2023. This has been adjudicated and agreed by the Joint Administrators and a dividend of 100p in the £ was declared on 4 September 2023 and paid on 13 September 2023.

Please note that following an adjudication of the claims it was concluded that there were no residual preferential claims due to employees, and correspondence was issued to preferential creditors in the Reporting Period confirming the same.

Secondary Preferential creditors

In any insolvency process started from 1 December 2020, HM Revenue and Customs ('HMRC') is a Secondary Preferential Creditor for the following liabilities:

- VAT
- PAYE Income Tax
- Employees' NIC
- CIS deductions
- Student loan deductions

This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the Preferential Creditors have been paid in full.

HMRC's secondary preferential claims relating to PAYE were estimated at £9,000 in the Director's Estimated Statement of Affairs.

As previously reported, HMRC submitted a claim in the sum of £5,197 in respect of their secondary preferential claim. HMRC subsequently confirmed the final secondary preferential claim in the Administration in the sum of £5,197. This has been adjudicated upon and agreed by the Joint Administrators and a dividend of 100p in the £ was declared on 4 September 2023 and paid on 13 September 2023.

Prescribed Part

The Company had not granted a floating charge to any creditor after 15 September 2003 and consequently there was no prescribed part in this Administration.

Unsecured creditors

Unsecured claims were estimated at £96,955 in the Director's Estimated Statement of Affairs and, to date, claims have been received from unsecured creditors totalling £180,110.

Per the Estimated Outcome Statement attached at Appendix 4, a dividend to unsecured creditors of 24p in the £ is estimated to be made and this will be paid by the Joint Liquidators.

Claims process

Due to the expected distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Alex Holliday.

A Proof of Debt form is attached at Appendix 6.

INVESTIGATIONS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Director was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 19 May 2021.

Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

We confirm that we did not identify any further assets or actions which would lead to a recovery for creditors.

ETHICS

Please also be advised that Joint Administrator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

The Joint Administrators have given consideration to any new ethical threats that could have arisen during the Reporting Period.

Due to the interconnectivity of the legal entities and the corresponding intercompany creditor positions, there is a perceived objectivity threat in adjudicating upon certain claims ourselves, therefore as a safeguarding measure, it is the intention of the Joint Administrators to request an independent third party to review and adjudicate upon these claims as part of any distribution process to unsecured creditors.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted, and that the advice or work contracted reflects the best value and service for the work undertaken. The

firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Other Information

General Data Protection Regulation

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally, the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including our complaints policy and Professional Indemnity Insurance, can be found at <https://www.quantuma.com/legal-information>.

THE JOINT ADMINISTRATORS' FEES AND EXPENSES

Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration costs as detailed below:

Party instructed	Amount (£)
Quantuma Advisory Limited	12,167
Quantuma Advisory Limited (disbursements)	12
JMW Solicitors LLP	1,520
TOTAL UNAPPROVED	13,699

The Joint Administrators have received approval of these costs via a decision procedure on 21 February 2023, none of which have been discharged in the Administration. It is anticipated that these will be discharged during the course of the Liquidation.

The Joint Administrators' Fees

For dealing with investor affairs

As detailed earlier, the basis on which the Joint Administrators are remunerated for dealing with trust assets for the benefit of investors was decided by the Court in July 2022.

As at 20 February 2024, a total of £1,906,000 (excluding VAT) of fees have been drawn in respect of the Office Holders remuneration dealing with the trust assets. These fees are detailed on the Receipts and Payments account within the Liquidation of HCFSA and will be updated in the next statutory report.

Time costs incurred in the Administration total £1,127,797, made up of 3,705 hours at an average hourly rate of £301. Much of this time relates to tasks relating to the management of the trust assets.

For dealing with the affairs of creditors

The basis of the Joint Administrators' fees for dealing with matters on behalf of creditors was agreed on 22 February 2023 by the Company's unsecured creditors as follows:

1. A fixed fee of £100,000.

The set fee is considered a fair and reasonable reflection of the work undertaken by the Joint Administrators for the benefit of creditors.

During the Administration no fees have been drawn in respect of the above fee. These fees will be drawn in the subsequent Liquidation.

Joint Administrators' Expenses

An amended Statement of Insolvency Practice (SIP), SIP 9, was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses, which include disbursements that have been incurred and paid during the period are detailed below. This also includes a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses exceeded that estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Actual expenses paid to date £
Category 1 Expenses				
Advertising	200	Nil	188	188
Bank Charges	100	75	684	684
Printing & Postage	500	33	474	474
Bond premium	135	10	145	145
Record listing, storage & retrieval	1,000	Nil	2,100	2,100
Insurance	1,700	Nil	906	906
Travel (not incl. Mileage)	Nil	17	17	17
Subsistence	Nil	807	2,721	2,721
Total	3,635	942	7,235	7,235

Investors and creditors should note that the above table now only includes the costs associated for the Joint Administrators in carrying out their statutory duties for the benefit of creditors. All costs associated with the recovery of the loans for the benefit of investors will be paid out of the aforementioned % agreed by the Court at 26%.

Category 1 expenses in the sum of £866 have been paid in the Reporting Period, leaving no outstanding balances.

During the Whole Period, the sum of £42 has been incurred in respect of category 2 disbursements related to mileage. This sum has not been reclaimed to date as the Joint Administrators have not obtained approval to draw Category 2 expenses, as such, the Joint Administrators have written off the expense.

Comparison to Expenses Estimate

In the above table, 3 expenses have materially exceeded the expense estimate.

Bank charges have exceeded estimates due to the fact that the number of transactions made in the Administration has been far greater than initial estimates.

With regard to Records listing and storage, it should be noted that additional Company Books & Records discovered during the Administration have required storage, leading to an increase in costs.

In relation to the Subsistence category, the Joint Administrators did not include in their initial estimate the costs incurred during their regular visits to the House Crowd sites to oversee the developments, and for meetings held with the retained staff of The House Crowd.

Other professional costs

IT Providers

As detailed in the Receipts and Payments account at Appendix 3 The Joint Administrators have continued to pay Amazon Web Services a monthly fee in relation to the hosting of the investor portal.

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

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>. A copy of 'A Creditors Guide to Administrators Fees' effective from 1 April 2021 together with Quantum Advisory Limited current and historic charge-out rate and expenses policies may be found at <http://www.quantuma.com/guide/creditors-guide-fees>. A hard copy of both the Creditors' Guide and the charge-out rate and expenses policies may be obtained on request.

Payment of the Joint Administrators' unpaid fees and costs

In accordance with the Insolvency Act 1986, all unpaid fees (subject to any approved fees estimate) and costs, as described in the sections above, are charged on and payable out of the Company's property. Thus, the duly appointed Joint Liquidators will be responsible for discharging these sums from the assets and funds handed over to them by the Joint Administrators.

Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

THE OUTCOME OF THE ADMINISTRATION

Comparison of the outcome with the Joint Administrators' Proposals

Attached at Appendix 2 is a summary of the Joint Administrators' Proposals as approved.

It had been envisaged that the second Administration objective would be achieved, namely that there would be a better result for creditors as a whole than would be likely if the Company were wound up (without first being in Administration) As described above, it can be seen that this Administration objective was achieved.

The balance in the Joint Administrators' account of £6,158, together with control of the remaining assets yet to be realised as described above, is being transferred to the Joint Liquidators. An Estimated Outcome Statement as at 20 February 2024 is attached at Appendix 4. This illustrates the anticipated outcome of the subsequent Liquidation.

The Joint Administrators are now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix 2, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators will be appointed Joint Liquidators.

If you require any further information, please contact Alex Holliday on 0161 694 9144.

A handwritten signature in black ink, appearing to be 'J Woodside', with a stylized, cursive script.

Jeremy Woodside
Joint Administrator

The House Crowd Limited – in Administration

STATUTORY INFORMATION

Company Name	The House Crowd Limited
Proceedings	In Administration
Court	High Court of Justice Business and Property Courts in Manchester
Court Reference	CR-2021-MAN-000111
Date of Appointment	24 February 2021
Joint Administrators	Jeremy Woodside Quantuma Advisory Limited Third Floor, 196 Deansgate, Manchester, M3 3WF Rehan Ahmed and Frank Wessely Quantuma Advisory Limited Second Floor, Arcadia House 15 Forlease Road Maidenhead SL6 1RX
Registered office Address	C/o Quantuma Advisory Limited Third Floor, 196 Deansgate, Manchester, M3 3WF
Company Number	07893395
Appointment by	The Directors

The House Crowd Limited – in Administration

THE JOINT ADMINISTRATORS' PROPOSALS, AS APPROVED

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they will take the necessary steps to realise the Company's assets for the benefit of creditors.
 - (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 Joint Administrators 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 Joint Administrators 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 Joint Administrators end 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 event that the Joint Administrators think 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, Frank Ofonagoro, Jeremy Woodside and Frank Wessely will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with 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. Information about the process of approval of the Statement of Proposals is set out at Section 10.

The House Crowd Limited – in Administration

THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT

Statement of Affairs £	From 24/08/2023 To 20/02/2024 £	From 24/02/2021 To 20/02/2024 £
	ASSET REALISATIONS	
	Bank Interest Gross	229.37
109,504.21	Cash at Bank	110,695.96
	Dividends from HCPs	5,457.12
	HCD20 Share Realisations	9,700.00
	HCF consultancy recharges	3,510.00
	HCFSAs consultancy recharges	7,750.00
	HCFSAs PAYE/NI recharges	74,142.12
	HCFSAs pension contributions recharge	8,947.66
	HCFSAs wages recharges	158,499.18
	HCPM consultancy recharges	5,150.00
	HCPM PAYE/NI recharges	74,329.11
	HCPM pension contributions recharge	8,951.41
	HCPM tax consultants recharges	1,250.00
	HCPM wages recharges	138,759.05
	Inter-estate loan from HCFSAs	398,822.24
	Misc Refunds	882.73
	Office equipment	100.00
	Rates Refund	1,318.54
	Refund from FCA	750.00
	Refund from HCFSAs	24,805.17
	Repayment of HCP Loans	58,004.85
	164,221.97	1,092,052.51
	COST OF REALISATIONS	
	Accountants fees	59,374.00
	Bank Charges	683.68
	Collection of books & records	1,583.38
	Consultancy Fees	230,818.53
	Equitivo Pre-appointment	9,000.00
	Insurance	905.91
	IT Costs - AWS	26,290.10
	IT Services	24,289.76
	Legal disbursements	14,246.42
	PAYE & NI	157,668.35
	Payroll Services	1,839.54
	Pensions Contributions	19,227.47
	Post Appointment Legal Fees	53,677.87
	Postage	474.14
	Regulatory Consultants	24,293.75
	Share In	51,168.00
	Specific Bond	145.00
	Statutory Advertising	187.80
	Storage Costs	516.60
	Subsistence	2,720.88
	Tax Consultants	1,250.00
	THC staff expenses	216.88
	Travel (Non Mileage)	17.27
	VAT Irrecoverable	77,028.75
	Wages & Salaries	312,622.05
	(167,748.81)	(1,070,248.13)
	PREFERENTIAL CREDITORS	
	HM Revenue and Customs	5,198.84
	Redundancy Payments Service	10,451.99
	(15,648.83)	(15,648.83)
109,504.21	(19,175.67)	6,157.55
	REPRESENTED BY	
	Bank 1 Current	6,157.55
		6,157.55

The House Crowd Limited – in Administration

ESTIMATED OUTCOME STATEMENT FOR THE LIQUIDATION

The House Crowd Limited - In Liquidation**Estimated Outcome Statement as at 20 February 2024**

	Estimated to Realise £
Assets not specifically pledged	
Administration Surplus	6,157
Refund from HCFSa	148,609
Estimated dividend from HCPM	33,152
	<hr/> 181,761
Costs	
Administrators' Fees - Pre-App:	(12,167)
Administrators' Fees - Post-App:	(97,000)
Specific Bond	(135)
Statutory Advertising	(86)
VAT Irrecoverable	(22,752)
Post:	(374)
Accountants fees	(1,500)
Storage costs	(500)
Contingency	(2,000)
Bank charges	(474)
	<hr/> (136,988)
Amount Available for Unsecured Creditors	<hr/> 44,773
Est. Unsecured Creditors	
Trade Creditors	(180,110)
HMRC	(9,156)
	<hr/> (189,266)
Estimated Deficiency as per Unsecured Creditors	(144,493)
Estimated dividend (p/£)	0.24

The House Crowd Limited – in Administration

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REPORTING PERIOD

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
<u>CREDITORS</u>	
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Final Reports	
Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice.	Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NII deductions from employee distributions and paying over to HMRC
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
Dealing with HMRC/RPO claims	
<u>CASHIERING</u>	
Maintaining and managing the Office Holders' cashbook and bank account.	Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	

Description of work undertaken	Includes
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House
<u>CLOSING PROCEDURES</u>	
Filing final statutory returns at Companies House/Court	

Current Charge-out Rates of the staff who have worked on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates may have been subject to periodic increase.

Grade of Staff	Rate from 1 June 2023	
	Regional Offices	London Offices
CEO/Managing Director	£545.00	£730.00
Appointment Taking Director	£495.00	£616.00
Director	£450.00	£580.00
Senior Manager	£400.00	£505.00
Manager	£360.00	£435.00
Assistant Manager	£325.00	£395.00
Senior Administrator	£275.00	£340.00
Administrator	£220.00	£300.00
Assistant Administrator	£175.00	£230.00
Case Accountant	£120.00	£155.00
Support Staff/Executive Assistant	£120.00	£155.00

The House Crowd Limited – in Administration

PROOF OF DEBT FORM

Date of Administration: 24 February 2021

DETAILS OF CLAIM	
Name of Creditor (if a company, its registered name)	
Address of Creditor (i.e. principal place of business)	
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 	
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	
If the total amount above includes outstanding uncapitalised interest, please state	
Particulars of how and when debt incurred	
Particulars of any security held, the value of the security, and the date it was given	
Details of any reservation of title in relation to goods to which the debt relates	
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.)	
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	
If you wish any dividend payment that may be made to be paid into your bank account, please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	
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?	