



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

1 Company details

Company number 0 7 9 0 8 5 8 4

Company name in full Daligas Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Ninos

Surname Koumettou

3 Administrator's address

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

Country

4 Administrator's name ①

Full forename(s) Amie Helen

Surname Johnson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d <div>2</div>	^d <div>0</div>	^m <div>0</div>	^m <div>4</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>1</div>
To date	^d <div>1</div>	^d <div>9</div>	^m <div>1</div>	^m <div>0</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>2</div>

7 Progress report

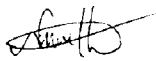
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d <div>1</div>	^d <div>6</div>	^m <div>1</div>	^m <div>1</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>2</div>
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**Presenter information**

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

Contact name **Peter Odell**

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

Address **1 Kings Avenue**

Post town **London**

County/Region

Postcode **N 2 1 3 N A**

Country

DX **DX 36953 Winchmore Hill**

Telephone **020 8370 7250**

**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.

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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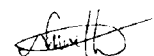
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Daligas Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 20/04/2021 To 19/10/2022 £	From 20/10/2021 To 19/10/2022 £
OTHER DIRECT COSTS		
Direct Labour	13,438.80	13,438.80
	(13,438.80)	(13,438.80)
TRADING EXPENDITURE		
Telephone/Internet/Email charges	4,872.84	4,872.84
SAP ERP Maintenance & Support	62,950.21	62,950.21
Fastpay charges	3,858.10	3,858.10
	(71,681.15)	(71,681.15)
TRADING SURPLUS/(DEFICIT)	(85,119.95)	(85,119.95)

Daligas Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 20/04/2021 To 19/10/2022 £	From 20/10/2021 To 19/10/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	1,064.56	1,064.56
142,000.00	Book Debts	50,155.04	50,155.04
952,811.63	Cash at Bank	975,419.04	975,419.04
45,000.00	Fastpay Deposit	49,281.64	49,281.64
5,000.00	Office Furniture & IT Equipment	NIL	NIL
	Post appointment credits	56,953.59	56,953.59
	Sundry refund	1,197.95	1,197.95
Uncertain	Supplier Deposits	116,230.03	116,230.03
	Trading Surplus/(Deficit)	(85,119.95)	(85,119.95)
Uncertain	VAT Refund	NIL	NIL
		1,165,181.90	1,165,181.90
	COST OF REALISATIONS		
	Administrators' Fees	90,000.00	90,000.00
	Legal Fees (1)	5,381.00	5,381.00
		(95,381.00)	(95,381.00)
	PREFERENTIAL CREDITORS		
(1,500.00)	Employees re Hol Pay	3,814.75	3,814.75
		(3,814.75)	(3,814.75)
	SECONDARY PREFERENTIAL CREDITORS		
(3,000.00)	HMRC - PAYE/NIC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(439,786.00)	Customer Credit Balances	NIL	NIL
(429,156.00)	Directors	NIL	NIL
(29,122.86)	Employees - Redundancy/PILON	18,458.35	18,458.35
(255,328.71)	Trade Creditors	NIL	NIL
		(18,458.35)	(18,458.35)
	DISTRIBUTIONS		
(50,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(63,081.94)		1,047,527.80	1,047,527.80
	REPRESENTED BY		
	Bank 1 Current		1,046,408.59
	Vat Receivable		1,119.21
			1,047,527.80



Ninos Koumettou
Joint Administrator

Ninos Koumettou and Amie Helen Johnson were appointed joint administrators on 20 October 2021

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.

Daligas Limited (In Administration)

Progress report of the joint administrators

Period: 20 April 2022 to 19 October 2022

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Daligas Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 20 October 2021
"the administrators" "we" "our" and "us"	Ninos Koumettou of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA and Amie Helen Johnson of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Daligas Limited
Trading name(s):	Daligas
Date of Incorporation:	13 January 2012
Company registered number:	07908584
Company registered office:	1 Kings Avenue, Winchmore Hill, London, N21 3NA

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Ninos Koumettou and Amie Johnson, both Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
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Date of administrators' appointment:	20 October 2021
Date of administrators' resignation:	N/A
Court:	Birmingham High Courts of Justice
Court Case Number:	313 of 2021
Person(s) making appointment / application:	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.
Type of Proceedings:	The proceedings will be COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended)
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 17 October 2023

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 20 October 2021 to 19 April 2022 and 20 April 2022 to 19 October 2022.

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 2. 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.

General case administration and planning

This represents the work that is involved in the routine administrative functions of the case by the Administrator and his staff, together with the control and supervision of the work done on the case by the Administrator and his managers. It does not give any financial benefit to the creditors but has to be undertaken by the Administrator to meet his requirements under the Insolvency Legislation and the Statements of Insolvency Practice, which set out the required practice that all Office Holders must follow.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules requires the office holder to notify all relevant bodies of their appointment as Administrator. In this respect, I would confirm that appropriate documents were filed with the Court, the Registrar of Companies, all known creditors as well as other interested parties such as local authorities, the Company's bank, the Company's landlord and the Company's accountant. Notice of appointment together with details regarding the subsequent virtual meeting of creditors was also advertised in the London Gazette.

The Insolvency Act and Rules require me to produce and issue my Statement of Proposals within the first 8 weeks of our appointment. This provides creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the Administration to-date, and the work which will be undertaken going forward in order to facilitate the achievement of the purpose of the Administration. I confirm that I complied with this requirement and that my Statement of Proposals was issued to creditors on 6 December 2021 and has been filed with the Registrar of Companies pursuant to the Act. I have also monitored realisations during the Administration period to-date to ensure that the Statutory Bond is sufficient to cover the value of total realisations received during the Administration and, in turn, to protect the interests of the Company's creditors.

Investigations

The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are any potential recovery actions for the benefit of creditors. If potential recoveries or matters for further investigation are identified, then the office holders will need to incur additional costs to investigate them in detail and to bring recovery actions where necessary.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I obtained and reviewed copy bank statements for the 2 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

I have not found any transactions which would enquire further investigation. Should this position change I will update creditors accordingly in my next report.

The office holder is also required to report to the Department for Business, Innovation & Skills on the conduct of the directors and the work required in this respect, to enable them to comply with this statutory obligation, is of no direct benefit to creditors, although it may identify potential recovery actions. I can confirm that I have complied with my requirement to submit a report in relation to the conduct of the directors in the particular instances of this case.

Realisation of assets

Office Furniture & IT Equipment

As previously advised, these assets have been retained to assist with the wind down of the business which is still on-going. Following completion of the wind down process, the Administrators will instruct an agent to realise these assets, if any value exists in the IT equipment.

Book Debts

As per our proposals report, the Company's sales ledger (not including unbilled customers) amounted to approximately £442,000 which the directors estimated that approximately £142,000 was recoverable.

We are still in the process of producing final reconciliation and final billing of customers' accounts. Unfortunately, the Company only produced annual billing statements in April of each year, therefore, it has been necessary to

produce final bills for all known customers that were transferred to the new supplier, Shell Energy. This process is still on-going and should be completed very shortly.

Customers whose final bills have been calculated to date and are in a debit position are being chased for payment once their final reconciliation has been produced. This is an on-going process together with collection of the outstanding debtors.

In the reporting period, the administrators have received £50,155.04, together with post appointment credits totalling £10,586.39 from the Company's bank account that relate to customers final bills that are owed to the Company. In total, book debts together with post appointment credits total £107,108.63 for the 12 months ending 19 October 2022.

Once all final reconciliations and final billings have been produced and sent to customers, we will review the position of collections with our instructed external agents. In addition, it is also noted that the Administrators will need to undergo a review of the accounts in debit that have been collected by Shell and not passed to the Administrators.

VAT Refund

As reported previously, the directors estimated that a VAT refund of £71,360 (after set-offs) will be due to the Company. We are currently awaiting information from the Company's director to allow us to seek confirmation from HM Revenue & Customs ("HMRC") however, this amount is likely to have further set offs applied by HMRC and therefore the quantum is still currently unknown until all final returns have been submitted and setoffs relating to the employee claims paid by RPS have been settled. This process is on-going.

Cash at Bank

Following my appointment, I made enquiries with the Company's bank and was able to recover the sum of £952,811.63

Supplier Deposits

As advised in our proposals the Company had lodged £440,659.01 with national grid suppliers which act as security for payment of the costs of transporting gas via the pipeline network. As the costs are billed in arrears, invoices are still to be raised for costs prior to 17 October 2021 (date the OGEM revoked licence) and set-offs will be applied to the deposits.

Reconciliations are still in the process of conducted on certain of these deposits.

I am pleased to report that I have recovered £302,486.79 in the reporting period relating to the return of supplier deposits. There is a nominal deposit held with one supplier which is being reviewed on a 3 monthly basis prior to being returned back to the Company.

Fastpay Deposit

As previously reported, the Company lodged a deposit of £45,000 with Fastpay (who processed the direct debit mandates for collection of the customers fixed or variable monthly direct debits) and these direct debits were then paid directly into the Company's bank account.

Fastpay retained approximately 25% of the deposit held for an extended period to allow for potential clawbacks by customers. However, once direct debits had been transferred to Shell, Fastpay confirmed they were holding funds of £49,281.64, and following deduction of their costs amounting to £3,858.10, the Company was refunded the net sum of £45,423.54.

Sundry refund

I have received £1,197.95 in respect of a credit held on a trade account in the reporting period.

Bank Interest Gross

During the reporting period, the Company has received £1,034.98 in respect of bank interest on the sums held in the Administrators case bank account.

Trading

As we have been winding down trading, we have incurred payments which relate to ransom creditors in respect of telephone and internet services together with continuation of the Company's SAP database required to produce final reconciliation and billings. During the reporting period payments totalling £2,641.88 and £42,950.21 respectfully were made to these suppliers. These are shown on the receipts and payments account at appendix 1.

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

I am required to maintain up-to-date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. I also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

The following is a breakdown of the work I have undertaken in respect of the Company's creditors:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up-to-date creditor information on the case management system.
- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.

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

During the period of this report, I have sought from creditors, an extension of the administration for a further 12 months via the deemed consent procedure. This extension was deemed approved on 17 October 2022.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 20 October 2021 to 19 April 2022.

Secured creditor

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Deposit	Wales & West Utilities Limited	25 May 2013

Wales & West Utilities Limited have a charge that was registered at Companies House that was created on 15 May 2013 and delivered 25 May 2013. However, the charge is not a qualifying floating charge holder as it relates to a security deposit of £1,000 held by Wales & West Utilities and therefore, there is no outstanding liability.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £1,500.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

As advised above, the claim of HMRC is currently unknown due to set-offs that will be applied to any liabilities that remain due to HMRC. We are still in the process of completing final returns up to the date of the Company entering into Administration of which any potential refund will be applied to HMRC's claim, which is not yet known.

Unsecured creditors

Claims of unsecured creditors were estimated at £288,951.57. To date, we have received claims of £583,927.70 from 9 creditors.

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

Secured creditor

As detailed above, albeit that Wales & West Utilities Limited hold a charge it relates to a deposit they are holding and consequently there is no secured creditor due and owing any monies in these proceedings.

Preferential creditors

We consider that there will be sufficient funds for a dividend to be paid to preferential creditors.

Secondary preferential creditors

We consider that there will be sufficient funds for a dividend to be paid to HM Revenue & Customs after payment in full of the preferential creditors. However, as advised above, it is not yet known if HMRC will have a claim due to the set-off that will apply against any liability owed by the Company.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or

- ❑ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

As stated above Wales & West Utilities Limited do not have a qualifying floating charge, therefore, the prescribed part will not apply in this matter.

Unsecured creditors

Based upon realisations to date and estimated future realisations, it is estimated there will be sufficient funds available to enable a dividend to be paid in full to the Company's unsecured creditors. However, the timing and quantum is not yet known.

Effect of administration on limitation periods under the Limitation Act 1980

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

6. PRE-ADMINISTRATION COSTS

As previously reported in my last progress report, our pre appointment costs together with the costs incurred by The Wilkes Partnership, were paid by the Company prior to our appointment as Joint Administrators. These are shown on the attached Receipts and Payments Account at Appendix 1.

7. REMUNERATION & EXPENSES

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 previously provided in our proposals dated 6 December 2021. Under our fees estimate we estimated that the Administration would result in time costs being incurred of £106,595.00

We are also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9), 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 20 April 2022 to 19 October 2022 amount to £42,769.50 which represents 176.90 hours at an average rate of £241.77 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 20 April 2022 to 19 October 2022
- ❑ Begbies Traynor (Central) LLP's charging policy

To 19 October 2022, we have drawn the total sum of £90,000 on account of our remuneration, against total time costs of £105,480 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the administration.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, the level of our approved remuneration has been sufficient to cover the costs of the administration and we are pleased to report that we do not anticipate seeking any further increase or amendment to our approved remuneration basis if matters progress to conclusion as envisaged.

Category 1 Expenses

To 19 October 2022, we have not drawn any category 1 expenses.

Why have subcontractors been used?

It has been necessary to appoint subcontractors to assist the administrators in the winding down of the business, in this instance, we have required the IT technical ability to assist us in utilising these subcontractors to monitor, produce, and finalise, the customers final bills using the Company's billing database, and required the use of IT suppliers to keep the system online so that this process can be completed.

Category 2 Expenses

Details of the Category 2 that have been incurred during the period of this report in accordance with the approval obtained are attached at Appendix 3.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

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

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

Wind Down of Trading/Asset Realisations

Continue with the wind down of the Company reconciling and producing final billing to customers together with the collection of any outstanding amounts owed to the Company. Collection of the outstanding supplier deposits

and liaising with the Company's accountants to file outstanding VAT/PAYE/CT pre appointment returns in respect of clarifying HMRC's position with any potential returns.

General case administration and planning

I will continue to maintain records to demonstrate how the case is administered and to document any decisions that materially affect the case. I will also continue to review the case periodically to assess the progress of the Administration and highlight any issues that are outstanding, and need follow up.

All routine correspondence will continue to be dealt with as well as the completion and filing of statutory returns to HMRC. The office-holders cashbook will continue to be maintained and regular reconciliations of the Company's estate bank account will be undertaken.

Compliance with the Insolvency Act, Rules and best practice

Statutory Reports on the progress of the Administration will continue to be prepared on a six-monthly basis in order to provide creditors with an update regarding the progression of the Administration. Once the Administration is brought to an end, I will also prepare my final report, to be issued to the Company's members and creditors as well as being filed at Companies House.

I will also continue to monitor the level of assets to ensure the bond cover remains sufficient.

Investigations

I will continue to investigate, as necessary, any matters pertaining to the Company and its affairs prior to my appointment.

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

I will continue to deal with creditor queries as and when they arise.

I am also required to continue with my general continuation of administration of the Administration estate. This will not provide a direct financial benefit to the Company's creditors, however I am required by insolvency legislation to continue with the tasks.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the administration as envisaged. Albeit that this time costs incurred in completing this work will exceed the amount previously approved by creditors I am not at present seeking approval from creditors to increase my remuneration.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses originally sent to creditors at the outset of this case which included all of the expenses that we anticipate that we will incur throughout the Administration.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £106,595, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, I can estimate that total remuneration drawn will be £106,595.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

10. OTHER RELEVANT INFORMATION

Extension of administration

The administration has been extended for a period of 12 months, to 17 October 2023 with the consent of creditors.

Proposed exit route from administration

My Proposals stated that in order to achieve the objective of the Administration, which was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), we should continue to manage the business, affairs and property of the Company and, in particular that I:

(i) Continue to wind down the trading of the business and realise all remaining assets.

(ii) Do all such things and generally exercise all their powers as Administrator as I consider desirable or expedient at my 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 proposals.

The Administration is on-going, and it is likely that we may have to revise our proposals in respect of our exit from Administration. This is likely to be known once all assets have been realised and all claims in the Administration have been received. We will be able to update creditors in our next progress report, if not earlier.

Use of personal information

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

11. CREDITORS' RIGHTS

Right to request further information

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

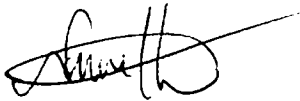
Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses

incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

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

A handwritten signature in black ink, appearing to read 'Ninos Koumettou', with a long horizontal stroke extending to the right.

Ninos Koumettou FCA, FCCA, FABRP
Joint Administrator

Dated: 16 November 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 20 October 2021 to 19 April and 20 April 2022 to 19 October 2022

Daligas Limited
(In Administration)
Joint Administrators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 20/10/2021 To 19/04/2022 (£)	From 20/04/2022 To 19/10/2022 (£)	Total (£)
Office Furniture & IT Equipment	5,000.00	0.00	0.00	0.00
Book Debts	142,000.00	0.00	50,155.04	50,155.04
VAT Refund	Uncertain	0.00	0.00	0.00
Cash at Bank	952,811.63	975,419.04	0.00	975,419.04
Supplier Deposits	Uncertain	0.00	302,486.79	302,486.79
Fastpay Deposit	45,000.00	49,281.64	0.00	49,281.64
Post appointment credits		46,367.20	10,586.39	56,953.59
Bank Interest Gross		29.58	1,034.98	1,064.56
Sundry refund		0.00	1,197.95	1,197.95
		1,071,097.46	365,461.15	1,436,558.61
PAYMENTS				
Direct Labour		13,438.80	0.00	13,438.80
Telephone/Internet/Email charges		2,230.96	2,641.88	4,872.84
SAP ERP Maintenance & Support		20,000.00	42,950.21	62,950.21
Fastpay charges		3,858.10	0.00	3,858.10
Administrators' Fees		50,000.00	40,000.00	90,000.00
Legal Fees (1)		5,381.00	0.00	5,381.00
Employees re Hol Pay	(1,500.00)	3,814.75	0.00	3,814.75
HMRC - PAYE/NIC	(3,000.00)	0.00	0.00	0.00
Trade Creditors	(255,328.71)	0.00	0.00	0.00
Employees - Redundancy/PILON	(29,122.86)	18,458.35	0.00	18,458.35
Directors	(429,156.00)	0.00	0.00	0.00
Customer Credit Balances	(439,786.00)	0.00	0.00	0.00
Ordinary Shareholders	(50,000.00)	0.00	0.00	0.00
		117,181.96	85,592.09	202,774.05
Net Receipts/(Payments)		953,915.50	279,869.06	1,233,784.56
MADE UP AS FOLLOWS				
Bank 1 Current		941,766.59	290,898.76	1,232,665.35
VAT Receivable / (Payable)		12,148.91	(11,029.70)	1,119.21
		953,915.50	279,869.06	1,233,784.56

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy
- b. Time Costs Analysis for the period from 20 April 2022 to 19 October 2022
- c. Cumulative Time Costs Analysis for the period from 20 October 2021 to 19 October 2022

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy 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 either of the bases allowed under The Insolvency Act England & Wales Rules 2016. These are either:

- As a percentage of the value of the assets realised and/or distributed
- On a time costs basis or
- As a set amount.

In this case we are seeking to be remunerated on a combination basis. Different rates can be used for individual assets or types of assets. Where we would like to realise assets on variable bases we will provide further information explaining why we think that this is appropriate and ask creditors to approve the variables.

Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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 guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (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 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and 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; and
- ❑ Car mileage which is charged at the rate of 45 pence per mile.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

General Office Overheads.

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 expense:

- ☐ 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 London North office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

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

As detailed above, time is recorded in 6 minute units.

SIP9 Daligas Limited - Administration - 21DA770.ADM : Time Costs Analysis From 20/04/2022 To 19/10/2022

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jvr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	6.6	1.2			8.1	4.2			20.1	6,519.00	324.33
	Administration	7.9				0.7	20.9	0.2		29.7	8,145.50	274.26
	Total for General Case Administration and Planning:	14.5	1.2			8.8	25.1	0.2		49.8	14,664.50	294.47
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding											0.00
	Case Closure											0.00
Investigations	Statutory reporting and statement of affairs	2.3				10.8	8.0			21.1	5,279.00	250.19
	Total for Compliance with the Insolvency Act, Rules and best practice:	2.3				10.8	8.0		7.1	28.2	6,379.50	226.22
	CDDA and investigations						0.6			0.6	117.00	195.00
Realisation of assets	Total for Investigations:						0.6			0.6	117.00	195.00
	Debt collection											0.00
	Property, business and asset sales											0.00
Trading	Retention of Title/Third party assets					5.5				5.5	1,320.00	240.00
	Total for Realisation of assets:					5.5				5.5	1,320.00	240.00
	Trading					16.6	50.7			67.3	13,870.50	206.10
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:					16.6	50.7			67.3	13,870.50	206.10
	Secured											0.00
	Others	4.4	0.1			0.7	16.0	0.4		21.6	5,549.50	256.92
Other matters which includes meetings, tax, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	4.4	0.1			0.7	16.0	0.4		21.6	5,549.50	256.92
	Seeking decisions of creditors					1.5				1.5	360.00	240.00
	Meetings						1.5			1.5	292.50	195.00
	Other											0.00
	Tax					0.9				0.9	216.00	240.00
	Litigation											0.00
	Total for Other matters:					2.4	1.5			3.9	868.50	222.69
	Total hours by staff grade:	21.2	1.3			44.8	101.9	0.6	7.1	176.9		
	Total time cost by staff grade £:	10,388.00	565.50			10,752.00	19,870.50	93.00	1,100.50		42,769.50	
	Average hourly rate £:	490.00	435.00	0.00	0.00	240.00	195.00	155.00			0.00	241.77
	Total fees drawn to date £:											

SIP9 Daligas Limited - Administration - 21DA770.ADM : Time Costs Analysis From 20/10/2021 To 19/10/2022

Staff Grade	Consultant/Partner	Director	Snr Mng'r	Mng'r	Asst Mng'r	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	24.6	1.2			16.7	9.4			83.0	23,142.00	367.33
	Administration	14.3		0.2		2.5	33.5	1.5		57.5	16,677.00	293.51
	Total for General Case Administration and Planning:	38.9	1.2	0.2		19.2	42.9	1.5		120.5	40,019.00	332.11
Compliance with the Insolvency Act, Rules and best practice	Appointment	2.1				5.8	1.7			9.6	2,537.00	264.27
	Banking and Bonding								13.2	13.2	2,001.00	151.59
	Case Closure											0.00
Investigations	Statutory reporting and statement of affairs	4.8				32.3	14.2			57.3	15,284.00	265.74
	Total for Compliance with the Insolvency Act, Rules and best practice:	6.9				38.1	15.9		13.2	80.1	19,822.00	247.47
	CCDA and investigations	1.0				3.5	0.9	8.1		13.7	2,825.50	205.24
Realisation of assets	Total for Investigations:	1.0				3.5	0.9	8.1		13.7	2,825.50	206.24
	Debt collection	2.4				0.5	0.9			3.8	1,462.50	384.87
	Property, business and asset sales					19.4				19.4	4,476.00	230.72
Trading	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:	2.4				19.9	0.9			23.2	5,938.50	255.97
	Trading					43.3	50.7			94.0	20,154.00	214.40
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:					43.3	50.7			94.0	20,154.00	214.40
	Secured											0.00
	Others	7.0	0.1			10.5	43.5	1.1		62.7	14,693.00	234.34
Other matters which includes meetings, tax, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	7.0	0.1			10.5	43.5	1.1		62.7	14,693.00	234.34
	Seeking decisions of creditors					5.7				5.7	1,308.00	229.47
	Meetings	0.2					2.2			2.4	504.00	210.00
	Other											0.00
	Tax					0.9				0.9	216.00	240.00
	Litigation											0.00
	Total for Other matters:	0.2				6.6	2.2			9.0	2,028.00	225.33
	Total hours by staff grade:	56.4	1.3	0.2		141.1	157.0	10.7	13.2	403.2		
	Total time cost by staff grade £:	26,623.50	565.50	69.00		32,826.00	30,159.00	1,637.50	2,001.00		105,480.00	
	Average hourly rate £:	472.05	435.00	345.00	0.00	232.64	192.10	153.04	151.59		0.00	261.61
	Total fees drawn to date £:											

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Telephone/Internet /Email costs	Google	672.95	672.95	NIL
Telephone/Internet /Email costs	Amazon	1,694.64	1,694.64	NIL
Telephone/Internet /Email costs	Connect Managed Services	274.29	274.29	NIL
SAP ERP Maintenance & Support	MAED Consulting Ltd	40,000	40,000	NIL
SAP ERP Maintenance & Support	Bionics Electronics HT Ltd	2,950.21	2,950.21	NIL
Postage	Postworks	74.76	NIL	74.76
Land Registry Searches	HM Land Registry	6.00	NIL	6.00

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Telephone/Internet/Email costs	Google	1,341.84
Telephone/Internet/Email costs	Amazon	2,779.94
Telephone/Internet/Email costs	Connect Managed Services	739.07
Telephone/Internet/Email costs	Go Daddy	11.99
SAP ERP Maintenance & Support	MAED Consulting Ltd	60,000
SAP ERP Maintenance & Support	Bionics Electronics HT Ltd	2,950.21
Employee costs	Various	13,438.80
fastpay chagres	Fastpay	4,872.84
Postage	Postworks	296.10
Land Registry Searches	HM Land Registry	6.00
Statutory Advertising	TMP Reynell	91.50
Bordereau Bond	AUA Insolvency Risk Services	481.50

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Telephone/Internet/Email costs	Amazon	1,200
Telephone/Internet/Email costs	Google	600
Telephone/Internet/Email costs	Connect Managed Services	275
SAP ERP Maintenance & Support	MAED Consulting Ltd	40,000
Statutory Advertising	TMP Reynell	90
Postage	Postworks	150