



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

1 Company details

Company number 0 8 9 6 4 6 6 8

Company name in full House Crowd Property Management Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Frank

Surname Ofonagoro

3 Administrator's address

Building name/number No. 1 Spinningfields

Street

Post town

Quay Street

County/Region

Manchester

Postcode

M 3 3 J E

Country

4 Administrator's name ①

Full forename(s) Jeremy

Surname Woodside

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Third Floor

Street 196 Deansgate

Post town

Manchester

County/Region

Postcode

M 3 3 W F

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 2	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1
To date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2

7

Progress report

☒ I attach a copy of the progress report**8**

Sign and date

Administrator's
signature

Signature

X**X**

Signature date

^d 2	^d 2	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2
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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 **Alex Roberts**

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 the form.

**Important information**

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

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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. ❶
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

❶ 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

House Crowd Property Management Limited (In Administration) (“the Company”)

In the High Court of Justice Business and Property Courts in Manchester CR2021MAN000116

THE JOINT ADMINISTRATORS’ PROGRESS REPORT FOR THE PERIOD 25 AUGUST 2021 TO 24 FEBRUARY 2022

23 March 2022

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 and Jeremy Woodside of Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF and Frank Wessely of Quantuma Advisory Limited, 2nd Floor, Arcadia House, 15 Forlease Road, Maidenhead, SL6 1RX, were appointed Joint Administrators of House Crowd Property Management on 25 February 2021.

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.

Frank Ofonagoro is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association. Jeremy Woodside and Frank Wessely are licensed to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.

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ABBREVIATIONS

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

CDDA	Company Directors Disqualification Act 1986
CEO	Chief Executive Officer
COMI	Centre Of Main Interests
CVL	Creditors Voluntary Liquidation
Equitivo	Equitivo Advisory Limited
ETC Tax	Enterprise Tax Consultants Limited
EU	European Union
E-Wallet System	Electronic Wallet System
FCA	Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000
HCD(s)	House Crowd Development SPVs typically named House Crowd Development 1, 2, etc.
HCF	House Crowd Finance Limited (in Administration)
HCFSA	House Crowd Finance (Security Agent) Limited (in Administration)
HCP SPV(s)	House Crowd Property SPVs typically names House Crowd Project 1, 2, etc.
HMRC	HM Revenue & Customs
ICAEW	Institute of Chartered Accountants in England and Wales
IFISA	Innovative Finance ISA
IPA	Insolvency Practitioners Association
IPS	Insolvency Practitioners System
ISA	Individual Savings Account
IT	Information Technology
Jacqui Hewitt Bookkeeping	Jacqui Hewitt Bookkeeping Plus
JMW	JMW Solicitors LLP
Landwood Group	Landwood Commercial (Manchester) Limited
P2P	Peer-to-Peer
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
Reporting Period	Period covered by the report from 25 August 2021 to 24 February 2022
ROC	Registrar of Companies
RPO	The Redundancy Payments Office
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs
SPV	Special Purpose Vehicle

TBC	To Be Confirmed
THC	The House Crowd Limited (in Administration)
The Act	The Insolvency Act 1986
The Company	House Crowd Property Management Limited (in Administration)
The Court	High Court of Justice Business and Property Courts in Manchester
The House Crowd Business	Collectively THC, HCF, HCFSa, HCPM, HCD SPVs, HCP SPVs
The Joint Administrators	Frank Ofonagoro, Jeremy Woodside and Frank Wessely
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
VAT	Value Added Tax

1. INTRODUCTION

Introduction

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since the Joint Administrators' provided creditors with their progress report dated 21 September 2021.

This report is also being used to provide an update to retail lenders on the progress of the Administration and recovery of retail lender assets.

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

Objective of Administration

The Joint Administrators are continuing to perform their functions with an aim to achieve the Administration objective of achieving a better result for the creditors as a whole than would be likely to be achieved if the Company were wound up (without first being in Administration).

Details of the appointment of the Joint Administrators

Frank Ofonagoro, Jeremy Woodside and Frank Wessely of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 25 February 2021.

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

Given the information previously provided in the Joint Administrators' earlier reports, detailed background information in respect of the Company has not been included and this report focusses on the progress of the Administration subsequent to those reports.

Extension of Administration

An extension to the usual 12-month period of Administration was granted by creditors on 11 November 2021 by a decision by correspondence.

The Administration is now scheduled to end on 24 February 2023 unless this period is further extended by Court on request by the Joint Administrators. Based on current information, it is likely that the Administration process will have to be extended further in order to allow sufficient time for the Company's affairs to be concluded and business fully wound down.

2. THE PROGRESS OF THE ADMINISTRATION

Management of the HCP SPVs

As previously reported, the Joint Administrators reviewed HCPM's existing management services agreement ("the property management agreement") with the individual HCP SPVs in order to establish whether it was viable for HCPM to continue to provide the services under the agreement.

The Joint Administrators have continued to provide the services under the property management agreement to c.81 HCP entities whilst a disposal strategy for each has been formulated.

On 1 October 2021, Michael Hall replaced Frazer Fearnhead as director of a large number of the HCP SPVs, following his decision to resign. Michael Hall has worked with the Joint Administrators to formulate a strategy for disposal of the properties in the most cost effective and expedient manner. It should be noted that the method previously used by the Company to distribute monies back to shareholders was not legally compliant and as such it is critical for the Joint Administrators to ensure that any future distributions are carried out in accordance with the prevailing legislation.

On 23 December 2021, Michael Hall wrote to all the shareholders and confirmed that after due care and consideration it had been concluded that each of the respective HCP entities (that have distributable assets) would enter a solvent liquidation process known as Members Voluntary Liquidation ("MVL")

Michael Hall provided shareholders with a comparison of the anticipated time and costs of the MVL process against that of a capital distribution.

The comparison provided that whilst the costs for both processes were broadly similar, an MVL provided greater control, in that it is a formal process and allows for any liquidator to self-assess the tax position, which should result in quicker distributions of funds to shareholders, rather than waiting for HM Revenue & Customs to confirm the tax position, which is currently subject to significant delays. The process also provides all stakeholders with more comfort than the alternative.

The MVL process will be carried out in batches of 5 HCP companies. There are currently 51 companies with the first batch of 5 forecast to begin the process on 24 March 2022. It is currently estimated that a new batch will begin the process to enter MVL approximately every 18 days thereafter. Please note that the timings of this are subject to resource constraints within The House Crowd Business, who are prepping the relevant companies for this process. As you may be aware, the Joint Administrators have retained certain key members of staff to assist them in their duties, however only a small number of reliable staff were retained to do so. The finance team of the House Crowd Business was small to start with so please do note the limited resource we have at our disposal.

The Joint Administrators have provided a detailed timeline of when each HCP entity will enter liquidation together with estimated dates of a distribution back to shareholders.

Management fee/ Equity Share

HCPM has an interest in the HCP SPVs in that the Company is entitled to an annual management fee equating to either 10% or 25% of each HCP SPVs' annual profit, as there are different terms and conditions for different companies, in return for property management services and other related services provided. The Company is also entitled to a share of any equity upside (after the capital repayment to investors and the payment of all third-party costs) which is again between 10%-25%. Again, there are different terms applicable to different companies within the portfolio.

Any realisations made in respect of these items during the Reporting Period are discussed in more detail throughout this report.

Retail Lender / HCP Shareholders

Communication with Investors

The Joint Administrators continue to liaise with retail lender and HCP shareholders as key stakeholders of the Administration process.

The Joint Administrators continue to deal with email queries across the Administrations as well as providing FAQ updates to a support group representing c.800 retail lenders and have facilitated a further five retail lender support group meetings during the Reporting Period (eleven in total throughout the Administration process).

Furthermore, as detailed earlier in the report, the Joint Administrators have provided shareholders with the second of what will be six monthly updates via the THC platform, on their progress in realising in respect of the HCP properties. A copy of which is attached at Appendix 6.

The Joint Administrators' Receipts and Payments Account

Attached at Appendix 2 is a receipts and payments account for the Reporting Period. In accordance with the requirements of SIP 7, the Joint Administrators confirm that the account has been reconciled with that held at the bank.

The rest of this report describes the key developments in the Administration over the Reporting Period.

For a detailed list of work undertaken by the Joint Administrators during the Reporting Period, see Appendix 5.

We have also summarised the main asset realisations during the Reporting Period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

Administrative, Statutory & Regulatory Tasks

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. Details of the tasks carried out during the Reporting Period are included in Appendix 5.

Realisation of assets

Monies due from HCP SPVs to HCPM

Property management fee

As detailed above, HCPM has continued to provide the services set out in its property management agreement with the HCP SPVs. By continuing to provide these services, the Joint Administrators have ensured that critical payments required to safeguard the tenants residing in the rental properties owned by the HCP SPVs have continued to be made, such as gas safety certificates as well as repair and maintenance payments. HCPM continues to provide other services to the HCP SPVs to including company secretarial, accounts and taxation. These steps are crucial in preserving the value of the properties in advance of a subsequent sale.

For the above services, and dependent upon the specific HCP property, HCPM is entitled to either 10% of the annual rental income, for collection of the same or 25% of the profit share of rental income.

For the period up to May 2021 the sum of £34,714 has been realised in this regard.

Accounting service recharge

Following the purchase of each HCP property, investors were provided with an account of anticipated costs of managing the HCP property. One of which being accountancy services provided by HCPM.

Due to insufficient funds within the HCP SPV entities, in some instances these costs have not been taken during previous years and as such have accrued over time.

During the Reporting Period the sum of £11,231 has been realised in this regard again for the period up to May 2021.

Going forwards, and from May 2021, it has been agreed that these annual charges (management & accounting costs) will not be taken by HCPM. Instead, the direct costs of managing the HCP companies will be re-charged. This includes costs such as salaries of the retained employees/consultants who deal with the affairs of the HCP companies and director services provided by Michael Hall.

Equity share

As detailed above, HCPM is also entitled to a 10%-25 % share of any equity upside on property disposals by HCP SPVs (broadly speaking this is after the distribution to investors and the payment of all third-party costs, although there are different terms for different HCP SPVs).

The appraisal of each HCP property together with the costs of disposal remains ongoing and as such the quantum of realisations available to HCPM remains uncertain at this stage.

An update in this regard will be provided in the next progress report.

Payments

A full list of payments made during the Reporting Period is detailed in the Joint Administrators' receipts and Payments Account at Appendix 2.

HCPM 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 (including HCFSA and HCPM).

The costs in respect of these employees and consultants are initially met by the THC Administration estate and are subsequently recharged to the respective HCPM and HCFSA Administration estates (these payments are shown within the receipts and payments account at Appendix 2).

Other Items

HCFSA – Inter-Estate Loan

As previously reported in the Joint Administrators' proposals, it was necessary for the Administrations of THC and its subsidiaries (including HCPM) to occur simultaneously as although separately incorporated entities, it quickly became apparent that HCPM's affairs were so inter-linked with its subsidiaries and had been operated as part of a single business with cross pollination of resources, management and funding.

Shortly following commencement of Administration, it became apparent that the HCPM estate would require external short term funding support, whilst it awaits the realisation of assets. In light of this, the Administration estate of HCFSA has provided a short-term loan (non-interest bearing) to HCPM.

To date the sum of £80,211 has been lent by HCFSA to HCPM to settle third party professional costs necessary for the Administration process to continue.

Based on current information the Joint Administrators anticipate that from the asset realisations detailed above, it will be possible to repay the loan in full.

Estimated Future Realisations

Save for the above there are no known further asset realisations anticipated.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

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

Primary Preferential creditors

On appointment, it was established that all employees of the House Crowd business were employed by THC, albeit some staff may have provided services across a number of different legal entities (including HCPM and the HCP SPVs). The Joint Administrators have established that at least 6 members of THC staff (being two employees and four consultants) dedicated some or all of their time to the operation of HCPM and the HCP SPVs.

Two employees have been retained by the THC Administration estate, with payroll costs currently being met by the THC Administration and recharged to HCPM.

The Joint Administrators have not received any claims from primary preferential creditors and none are expected.

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 after the payment of any primary preferential claims, this will go towards making a distribution to HMRC for any of the liabilities outlined above.

The estimated Statement of Affairs prepared by HCPM's directors did not state any secondary preferential claims. However, to date the Joint Administrators have received total secondary preferential claims of £2,173 in respect of VAT from HMRC.

It still remains uncertain whether there will be sufficient realisations to pay a dividend to secondary preferential creditors.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £800,000.

HCPM has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Administration.

Unsecured creditors

HCPM's directors' estimated Statement of Affairs detailed two unsecured creditors in the sum of £582,497. Within this total a sum of £552,797 relates to an intercompany liability owed to THC.

In relation to unconnected unsecured creditors to date, the Joint Administrators have received claims from two creditors totalling £32,200.

It is not currently anticipated that there will be sufficient future realisations to make a distribution to unsecured creditors.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the HCPM's directors has been completed and the Joint Administrators have submitted their report to The Insolvency Service.

Further Information

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

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>.

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-notice>.

5. ETHICS

Please note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies.

General Ethical Considerations

During the Reporting Period no threats to compliance with the Code of Ethics have been identified.

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.

6. PRE-ADMINISTRATION COSTS

As previously reported, the Joint Administrators have incurred the following Pre-Administration Costs.

Party instructed	Amount (£)
Quantuma Advisory Limited	714
Quantuma Advisory Limited (Disbursements)	6
JMW Solicitors LLP	165
TOTAL	£885

The Joint Administrators have sought fee approval in respect of these costs and they were approved via a decision procedure on 11 November 2021. None of which have been discharged to date.

7. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

A copy of 'A Creditors Guide to Administrators' Fees' effective from 1 April 2021 together with Joint Administrator's current schedule of charge-out rates and chargeable expenses, which includes historical charging information, may be found at <https://www.quantuma.com/guide/creditors-guide-fees/>.

A hard copy of both the Creditors' Guide and Quantuma Advisory Limited's current and/or historic charge-out rate and expenses policies may be obtained on request at no cost.

Joint Administrators' Fees

The basis of the Joint Administrators' fee was fixed on 11 November 2021 as follows:

1. A set amount of £150,000.

To date, no fees have been drawn in respect of the Joint Administrators remuneration.

Joint Administrators' Expenses

The Joint Administrators were not previously able to provide creditors with an estimated position of their expenses at the outset of the Administration, as the costs of the Administration at that time remained uncertain.

The expenses, which include disbursements that have been incurred and not yet paid during the period are detailed below:

Expenses	Actual expenses incurred in the Reporting Period	Expenses Paid in Reporting Period	Expenses unpaid from previous Reporting Period	Total incurred but not yet paid
	£	£	£	£
Category 1 Expenses				
Solicitors	9,900	-	10,226	20,127
Accountants Fees	8,010	8,010		-
Michael Hall	12,000	12,000		-
Salary & Associated costs	46,987	10,394		36,593
TOTAL	76,897	30,404	10,226	56,720

Details of the expenses paid in the Reporting Period and the Whole Period are shown in the Receipts and Payments account at Appendix 2.

On 11 November 2021 Creditors agreed that mileage could be recovered as a Category 2 disbursement.

Sub-contracted work

The Joint Administrators have not sub-contracted out any work to professionals that could have otherwise been completed by themselves.

Other Professional Costs

Michael Hall

Michael Hall is the director of the HCP entities, his costs have been agreed on a fixed fee of £3,000 plus VAT per month and are initially met by HCPM. These costs will be recharged to the respective HCP entities in due course and in full, with the sum of £1,477 having been recovered during the Reporting Period.

Solicitors

JMW were instructed by the Joint Administrators to provide advice on appropriate legal matters. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. Their time costs for the Reporting Period amount to £9,900, none of which have been paid.

All professional costs are reviewed and analysed before payment is approved.

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 remuneration 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 remuneration 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 remuneration 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 remuneration and/or expenses being complained of.

Please note that such challenges may not disturb remuneration or expenses disclosed in prior progress reports.

Future of the Administration

As previously reported, the Joint Administrators anticipated that the Administration process would be concluded within 18 – 24 months of their appointment and this remains the case.

In the meantime, the Administration will continue in order to finalise the following outstanding matters:

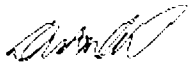
- Deal with direct cost recharges to the estate from the HCP entities;
- Ascertain whether HCPM is likely to realise any equity value following the HCP SPV property sales (depending on whether there is any equity upside (after the capital and interest repayment to investors));
- Oversee the solvent liquidations of the HCP entities; and
- Comply with statutory and regulatory obligations in the Administration

Exit route

As previously reported, the Joint Administrators intend to exit the Administration process in one of the following ways, appropriate to the circumstances 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
- (i) 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.

Should you have any queries in regard to any of the above please do not hesitate to contact Alex Roberts by email at Alex.Roberts@Quantuma.com.



Frank Ofonagoro
Joint Administrator

STATUTORY INFORMATION

Company Name	House Crowd Property Management Limited 91-95 Hale Road, Hale, Altrincham, WA15 9HW
Trading Address	
Proceedings	In Administration
Date of Appointment	25 February 2021
Joint Administrators	Frank Ofonagoro Jeremy Woodside Quantuma Advisory Limited Third Floor, 196 Deansgate, Manchester, M3 3WF Frank Wessely Quantuma Advisory Limited 2 nd 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	08964668
Incorporation Date	28/03/2014

House Crowd Property Management Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

VAT Basis

Receipts and payments are shown net of VAT, with any amount due from HM Revenue and Customs shown separately. The Joint Administrators will periodically account to HM Revenue & Customs for any VAT due to the estate.

Appendix 3

House Crowd Property Management Limited (In Administration)

SCHEDULE OF PRE-APPOINTMENT TIME COSTS

Time Entry - SIP9 Time & Cost Summary

6008062 - House Crowd Property Management Limited
Project Code: PRE
To: 25/02/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-Appointment	0.00	0.00	2.10	1.40	3.50	713.50	203.86
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	2.10	1.40	3.50	713.50	203.86
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Appendix 4

House Crowd Property Management Limited (In Administration)

SCHEDULE OF THE JOINT ADMINISTRATORS' TIME COSTS DURING THE REPORTING PERIOD AND THE WHOLE PERIOD

Time Entry - SIP9 Time & Cost Summary + Cumulative

6008062 - House Crowd Property Management Limited
All Post Appointment Project Codes
From: 25/08/2021 To: 24/02/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	11.65	1.50	49.23	0.00	62.38	17,896.07	286.91	304.24	91,442.14
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	7.60	21.30	29.10	5,020.50	172.53	79.50	12,958.50
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	9.05	2.50	14.89	0.00	26.43	8,367.33	316.55	95.66	30,027.08
Investigations	0.50	0.00	0.00	0.00	0.50	240.00	480.00	26.05	6,754.50
Pre Appointment	0.00	0.00	0.40	0.00	0.40	80.00	200.00	0.50	90.00
Realisation of Assets	3.50	1.50	27.00	0.00	32.00	7,497.50	234.30	144.95	30,099.75
Trading	0.50	0.00	0.00	0.00	0.50	200.00	400.00	3.40	1,121.50
Total Hours / Costs	25.20	5.50	99.32	21.30	151.32	39,303.40	259.74	654.52	172,493.47
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

Appendix 5

House Crowd Property Management Limited (In Administration)

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

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
Administration & Planning	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Obtaining a specific penalty bond.	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
Setting up electronic case files and electronic case details on IPS.	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at month 6	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
Liaising with Financial Conduct Authority ("FCA").	The Joint Administrators have spent significant time in liaising with the FCA and preparing documents for their review
Corresponding with Investors	Created a dedicated email address for investors to make contact with the Administrators regarding specific questions or queries. The Joint Administrators have a further c.250 emails to investors. Facilitated a further five Investor Support Group Meetings; each meeting attended by a minimum of one of the Joint Administrators and a Director.
Total	£17,898
<u>CREDITORS</u>	
Creditors	

Description of work undertaken	Includes
ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Assisting employees to pursue claims via the RPO
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
Total	£8,367
<u>INVESTIGATIONS</u>	
Investigations -	
SIP 2 Review – updating the SIP 2 checklist.	Updating internal investigations memo and SIP 2 checklist
INVESTIGATIONS TOTAL	£240
<u>REALISATION OF ASSETS</u>	
Realisation of Assets	
Management Fee / Profit Share / Accountancy Fee	<p>The Joint Administrators have reviewed the existing management services agreement between HCPM and the individual HCP SPVs in order to establish whether it was viable for HCPM to continue to provide the services under the agreement.</p> <p>The Joint Administrators have continued to provide the services under the agreement.</p> <p>The Joint Administrators have spent time with the members of retained staff to reconcile any monies due to the estate.</p>
HCP Properties	The Joint Administrators have spent time in reviewing the position of each HCP property and have liaised with the new director of the HCP SPV entities regarding the disposal strategy.
TAX/VAT	submitting online payroll returns
Total	£7,498
<u>CASHIERING</u>	
Opening, maintaining and managing the Office Holders' cashbook and bank account.	<p>Preparing correspondence opening and closing accounts</p> <p>Requesting bank statements</p> <p>Correspondence with bank regarding specific transfers</p>

Description of work undertaken	Includes
	Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory Receipts and Payments accounts at Companies House
Treasury function for HCP SPV	The Joint Administrators have spent considerable time in dealing with payments on behalf of the rental properties as part of the management of these properties
Total	£5,020
Reporting Period Total	£39,303

***during the Reporting Period, the sum of £280 has been incorrectly recorded as time spent on Pre-Appointment and Trading instead of Administration & Planning, this has since been rectified and will be reflected properly in the next report to creditors.**

Current Charge-out Rates of the staff working 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 are likely to be subject to periodic increase.

Grade of Staff	Rate from 15 June 2020
CEO/Managing Director	£480.00 - £580.00
Appointment Taking Director	£400.00 - £500.00

Director	£370.00 - £475.00
Senior Manager	£340.00 – £415.00
Manager	£310.00 - £375.00
Assistant Manager	£275.00 – £335.00
Senior Administrator	£235.00 – £285.00
Administrator	£200.00 – £240.00
Assistant Administrator	£135.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00
Support Staff/Executive Assistant	£100.00 – £135.00

Appendix 6

House Crowd Property Management Limited (In Administration)

SHAREHOLDER UPDATE

House Crowd Bridging Co 1 Limited (“HCBC1”)

The Administrators of the various House Crowd companies wish to provide an update on the position with HCBC1. Whilst this company is not in Administration, there is a link to The House Crowd in that HCBC1 made investments in various loans promoted by The House Crowd.

HCBC1 was incorporated in January 2015 and the Directors at the time of incorporation were Frazer Fearnhead and Suhail Nawaz. HCBC1 raised funds by issuing preference shares, these funds were then used to make investments in loans promoted by The House Crowd. Mr Fearnhead resigned from his role of Director of HCBC1 in July 2021 at which point the company was subject to a strike off notice for failing to file its statutory accounts for the year ending March 2020.

Suhail Nawaz left the House Crowd business in 2019, but due an oversight, he remained a Director of HCBC1. Mr Nawaz was approached by the Joint Administrators and asked if he would assist with the appointment of a Director to HCBC1 which in turn would allow him to step down from this position; what should have been the position back in 2019. Mr Nawaz agreed to co-operate and assisted with the appointment of Michael Hall who is now the sole Director of HCBC1.

Since Mr Hall’s appointment, the statutory filing has been brought up to date and the compulsory strike off notice has been discontinued. Had this appointment not been made and HCBC1 struck off the company register; the assets of the company (investments made in loans) would have vested in the Crown and been classed as *bona vacantia*. This would have prevented any return to investors in HCBC1. It was therefore quite fortuitous that Mr Nawaz erroneously remained in office and allowed this appointment to be made.

HCBC1 has invested in the following loans:

- HCF185
- HCF131
- HCF 191
- HCD2
- HCD14
- HCD21
- HCD16
- HCD22
- HCD25
- HCD23
- HCD19

The return of monies back to the preference shareholders is reliant upon the repayment of these development and bridging loans.

Due to the late filing of accounts, HCBC1 has significant corporation tax liabilities that it is unable to meet. In addition, the company has been subject to several fines from Companies House in respect of late filing of annual accounts that were not filed prior to the Administration of The House Crowd Limited and other associated companies.

The latest correspondence from Companies House is that they will look to pass this matter to solicitors who will take further action. On the basis that the company is unable to pay its debts as they fall due it is insolvent. It is therefore likely that HCBC1 will enter liquidation as a protective measure to prevent any amounts owing to HMRC or Companies House increasing as costs are applied to the outstanding debts. Assets will then be realised in liquidation as and when the

investments listed above mature. This liquidation process is expected to commence before 30 April 2022.

House Crowd Property Management Limited – in Administration (“HCPM”)

House Crowd Project Companies (“HCP Companies”)

The Joint Administrators are now able to provide an update in respect of the HCP Companies and the proposed strategy for the return of funds back to shareholders.

Whilst the HCP Companies fall outside the Administration estate of The House Crowd Limited and other associated companies, there is still a significant link between these companies and the HCP Companies in terms of House Crowd employees being utilized to provide support as well as the shareholding that HCPM has in the various HCP Companies.

Prior to the appointment of the Joint Administrators, a divestment program had already commenced to dispose of the properties owned by the HCP Companies. This program has continued and at the time of writing 6 properties are left to sell as follows:

- HCP137
- HCP177
- HCP176
- HCP181
- HCP135
- HCP121

Discussions regarding the return of funds back to HCP shareholders commenced with the incumbent director, Frazer Fearnhead (“FF”), in May 2021, and a proposed strategy was issued which if agreed then would have allowed process to return funds back to shareholders to commence some time ago.

FF subsequently indicated that he no longer wished to continue his role as director of c.81 HCP companies and advised that he would assist in an orderly handover to a replacement director. The Joint Administrators introduced an individual called Michael Hall (“MH”) to FF with a view to taking over the running of the HCP Companies from FF. A short handover period ensued and in October 2021 MH was appointed a director of 72 HCP companies by FF. FF then resigned from his position as director in November 2021.

Discussions regarding the return of funds back to shareholders continued with MH and as communicated in the open letter sent to shareholders of the HCP Companies in December 2021, the return of sales proceeds back to shareholders will be dealt with by a solvent liquidation, known as a Members Voluntary Liquidation (“MVL”).

Prior to these companies being placed into MVL a review of the articles of association (the documents that set out the rules for how the company is run and administered) has been undertaken to ensure that the correct process is followed when placing each company into MVL.

Tasks carried out since this advice was received have included:

- Shared the advice with the HCP director, MH
- Ongoing liaison with retained House Crowd staff who have been preparing y/end accounts for the companies
- Drafted and issued engagement letters to cover the project
- Completed 56 client onboarding packs covering conflict checks, AML/KYC checks, risk assessments etc.
- Agreed how the project is to be implemented by the various staff who will be involved
- Agreeing that the liquidations will be processed in batches of 5 on a FIFO basis meaning that those companies who sold their property longest ago will be processed first. This process

will start by 24 March 2022 with the director swearing declarations of solvency for the first batch, followed in 28 March 2022 with notice being issued to shareholders for the statutory meetings. This is the point when shareholders would start to receive the various notices for returning their proxies for the relevant shareholder meetings.

- The second batch should then be processed 2/3 weeks thereafter. Overall, there's around 1,500-1,800 hours work involved in this project.
- With 56 cases to process this process will take c.22-33 weeks to implement, although this is of course dependent on finalising the o/s sales and completing all the work that is associated with those sales – closing off accounts, settling CT etc
- Distributions will come at some time later, but the proposal is that this should commence 3 months following the appointment of a liquidator. This will be either after tax clearance from HMRC or much earlier on receipt of a signed indemnity from the shareholder where clearance has not been received. We have but a backstop date of 6 months in place.
- The first batch will include the 4 companies where a partial distribution was processed prior to our involvement in February 2021. This is because we are applying a strict FIFO policy based on the selling date of the relevant properties held by each individual company.
- The schedule for the processing and return of funds is as follows:

HCP Entity	Milestone	Declaration of Solvency	Notice of General Meeting	General Meeting Held	Enters Liquidation	Estimated Distribution Date	
HCP 058							
HCP 074							
HCP 103		24/03/2022	28/03/2022	25/04/2022	25/04/2022	23/06/2022	22/09/2022
HCP 129							
HCP 042							
HCP 102							
HCP 149							
HCP 170		11/04/2022	15/04/2022	13/05/2022	13/05/2022	11/07/2022	10/10/2022
HCP 164							
HCP 171							
HCP 175							
HCP 160							
HCP 161		29/04/2022	03/05/2022	31/05/2022	31/05/2022	29/07/2022	28/10/2022
HCP 179							
HCP167							
HCP 168							
HCP 169							
HCP 162		17/05/2022	21/05/2022	18/06/2022	18/06/2022	16/08/2022	15/11/2022
HCP 141							
HCP 151							
HCP 083							
HCP 124							
HCP 123		04/06/2022	08/06/2022	06/07/2022	06/07/2022	03/09/2022	03/12/2022
HCP 173							
HCP 085							
HCP 147							
HCP 165							
HCP 130		22/06/2022	26/06/2022	24/07/2022	24/07/2022	21/09/2022	21/12/2022
HCP 105							
HCP 126							
HCP 144							
HCP 150							
HCP 178		10/07/2022	14/07/2022	11/08/2022	11/08/2022	09/10/2022	08/01/2023
HCP 182							
HCP 183							
HCP 163							
HCP 166							
HCP 172		28/07/2022	01/08/2022	29/08/2022	29/08/2022	27/10/2022	26/01/2023
HCP 174							
HCP 142							
HCP 031							
HCP 146							
HCP 120		15/08/2022	19/08/2022	02/09/2022	02/09/2022	14/11/2022	13/02/2023
HCP 122							
HCP 153							
HCP 154							
HCP 155							
HCP 157		02/09/2022	06/09/2022	20/09/2022	20/09/2022	02/12/2022	03/03/2023
HCP 139							
HCP 150							
HCP 159		20/09/2022	24/09/2022	08/10/2022	08/10/2022	20/12/2022	21/03/2023
HCP 137							
HCP 177							
HCP 176	Properties still to be sold - Liquidation Date TBC once property sold						
HCP 181							
HCP135							