

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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19/08/2021

#37

COMPANIES HOUSE

1 Company details

Company number 0 9 3 6 3 1 9 6

Company name in full Mylife Digital Limited

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

2 Administrator's name

Full forename(s) Julie

Surname Palmer

3 Administrator's address

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

4 Administrator's name ①

Full forename(s) Neil Frank

Surname Vinnicombe

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

5 Administrator's address ②

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

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

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6 Period of progress report

From date	d	2	d	4	m	0	m	1	y	2	y	0	y	2	y	1
To date	d	2	d	3	m	0	m	7	y	2	y	0	y	2	y	1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	1	d	8	m	0	m	8	y	2	y	0	y	2	y	1
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Holly Davies**

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

Address **Units 1-3 Hilltop Business Park
Devizes Road**

Post town **Salisbury**

County/Region **Wiltshire**

Postcode **S P 3 4 U F**

Country

DX **salisbury@btguk.com**

Telephone **01722 435190**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



Julie Anne Palmer and Neil Frank Vinnicombe were appointed joint administrators on 24 July 2020.

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.

Mylife Digital Limited (In Administration)

Progress report of the joint administrators

Period: 24 January 2021 to 23 July 2021

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"	Mylife Digital Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 24 July 2020
"the administrators" "we" "our" and "us"	Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF and Neil Frank Vinnicombe of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
"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	Mylife Digital Limited
Trading name:	Mylife Digital
Date of Incorporation:	19 December 2014
Company registered number:	09363196
Company registered office:	Units 1 to 3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF and Neil Frank Vinnicombe, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
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Date of administrators' appointment:	24 July 2020
Date of administrators' resignation:	Not Applicable
Court:	High Court of Justice, Business and Property Courts
Court Case Number:	000079 of 2020
Person making appointment:	Bruce Finnamore, Jeffrey Thomas & James Austin acting in their capacity as directors of the Company.
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of the secured creditor for a period of 12 months

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24 January 2021 to 23 July 2021.

Receipts

i. Sale of business and assets

As detailed in our initial letter to creditors on 31 July 2020, the Company's business and assets were sold to MLD Global Ltd for £232,247.00. The payment terms were £72,575.00 on completion with the balance of funds being paid in 3 equal instalments of £53,224.00. I confirm that the sale price has been received in full together with interest of £1,921.86 that accrued on late payments.

ii. Misc Refunds

A refund of £109.81 has been received from a Company supplier who was overpaid prior to our appointment.

iii. Bank interest

Bank Interest of £7.02 has also accrued over the reporting period.

Payments

i. Administrators' Fees and Expenses

The sum of £21,803.74 has been paid to the Joint Administrators in respect of their remuneration and expenses. This is in accordance with the resolutions approved by the secured creditor on 10 September 2020.

The expenses included our statutory advertisement costs, bonding costs, record storage & postage and professional charges.

ii. Agents Fees and Disbursements

During this reporting period we have paid £3,500.00 to Eddisons Commercial's in relation to their pre-appointment fees and disbursements. They provided advice to the Joint Administrators in the period leading up to the pre-packaged sale and also assisted with marketing the business and assets. Their fee was approved by the necessary creditors.

iii. Legal Fees and Disbursements

The sum of £9,756.66 has been paid to Evershed Sutherland in respect of their advice provided to the Joint Administrators in the period following their appointment.

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.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

Time recorded under this category included:

- Maintaining the case strategy plan.
- Filing.
- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Maintaining case files and electronic records.
- Undertaking conference calls and internal communications with regard to agreement of strategy and ongoing actions.
- Completing case reviews.
- Correspondence with our solicitors in relation to the Company's affairs.
- Communicating with our solicitors on matters such as the deferred consideration due to the Company.
- Corresponding with key stakeholders in relation to the sale of the Company's business and assets.
- Dealing with general enquiries into the sale of the Company's business and assets.
- Maintaining creditor portal and uploading statutory documents.
- Reviewing and archiving the Company's books and records.

The majority of the above work derived no financial benefit for creditors however the Insolvency profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

Time recorded under this category included:

- Completing bond reviews.
- Completing receipt and payment vouchers, journals and other necessary documents for transactions going through the estate account.
- Performing monthly reconciliations for the case account opened by the liquidators.
- Completing statutory reports and returns.

The majority of the above work derived no financial benefit for creditors however the requirements to undertake this work are stipulated within The Insolvency Act and Rules together with additional requirements provided by our regulatory bodies.

Realisation of assets

Time recorded under this category included:

- Corresponding with the purchaser and secured creditors in relation to the sale of assets.
- Collecting the deferred consideration due from the purchaser and holding conference calls to discuss various matters.
- Dealing with debtor realisations and disputes.

This work will result in a distribution to the secured creditor under their fixed charge and potentially a distribution to unsecured creditors via the prescribed part subject to the quantum of floating charge realisations.

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

Time recorded under this category included:

- Dealing with ad hoc creditor correspondence, emails and telephone calls.
- Liaising with creditors in relation to supporting evidence of their claims against the Company.
- Liaising with utility providers, providing relevant details of usage and new occupant details.
- Maintaining creditor records.
- Corresponding with the secured creditor in relation to their claim and providing details of our estimated outcome statement.

We have a duty to adjudicate creditor claims before distributing any funds to creditors. Furthermore, best practice means that we should respond to creditor queries in a timely manner.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

Time recorded under this category included:

- Dealing with pension matters and queries raised as a result of the employees being transferred to the purchaser via TUPE.
- Submitting tax and VAT returns to HMRC as required.

This work is required to enable us to close the case in due course.

5. ESTIMATED OUTCOME FOR CREDITORS

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

Barclays will receive a distribution under their fixed charge and will potentially receive a distribution under their floating charge although this ultimately depends on book debt realisations.

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 floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. 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)).

We have estimated, to the best of our knowledge and belief, the Company's net property, to be £64,415.25 and the prescribed part of the Company's net property to be £15,883.05 prior to the costs of the administration process being taken into account. It is intended that we will distribute this amount to the unsecured creditors in the administration less the agreed costs of the administration process. Note that this estimate was given at the start of the administration.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than via the prescribed part subject there being sufficient floating charge asset realisations.

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. 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 in the sum of £51,656.00.

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

Our time costs for the period from 24 January 2021 to 23 July 2021 amount to £8,058.00 which represents 36.6 hours at an average rate of £220.16 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 24 January 2021 to 23 July 2021
- Time Costs Analysis for the period 24 January 2020 to 23 July 2021
- Begbies Traynor (Central) LLP's charging policy

To 23 July 2021, we have drawn the total sum of £20,000.00 on account of our remuneration, against total time costs of £50,826.00 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 liquidation.

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

As can be seen from the information above, we are extremely close to the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration is likely to be exceeded are as follows:

- ☐ Dealing with the purchaser and various issues in relation to the payment of the deferred consideration which resulted in significant unforeseen time being spent on the matter.
- ☐ Continued investigations into the Company's affairs.

In light of the above, we are obliged to provide the secured creditor with details of the additional work that we propose to undertake along with details of the cost of that additional work and to seek approval of our increased estimate from them.

Category 1 Expenses

To 23 July 2021, we have also drawn expenses in the sum of £1,803.74.

Why have subcontractors been used?

We instructed a Evolve IS to deal with the Company's pension scheme and the relevant notices that are required upon our appointment. They also assisted with providing advice in relation to any unpaid pension contributions.

Category 2 Expenses

Details of the Category 2 expenses that have been drawn during the period of this report in accordance with the approval obtained are as follows:

Other amounts paid or payable to the office holder's firm and/or entities within the B Traynor group	
Type and purpose	Amount £
Agents Fees payable to Eddisons Commercial for their services provided in marketing and valuing the Company's business and assets.	£3,500 plus VAT

Note that this cost relates to the pre-appointment advice provided by Eddisons and has previously been approved by the relevant body of creditors.

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 my office and I will arrange to send you a copy.

7. 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, together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £13,490.00. That estimate has been exceeded due to significant legal costs that were incurred as a result of the time spent pursuing the purchaser for the deferred consideration. Further legal fees will be incurred in relation to our investigations into the Company's affairs although they are difficult to estimate as it depends on the outcome of our investigations.

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

The following work remains to be completed:

- Collecting the remaining book debts due to the Company.
- Distributing funds to the secured creditor under their fixed charge.
- Distributing funds to the secured creditor under their floating charge (if applicable).
- Distributing funds to the unsecured creditors under the prescribed part (if applicable).

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

General case administration and planning

Time recorded under this category will include:

- Filing.

- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Maintaining physical case files and electronic records.
- Updating case strategy and monitoring the same.
- Maintaining the creditor portal.
- Continued correspondence with our solicitors in relation to ongoing work.
- Internal meetings and discussions regarding case progression and strategy.

The majority of the above work will derive no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

Time recorded under this category will include:

- Conducting bond reviews.
- Maintaining the administrators' bank account.
- Preparing all statutory reports and returns.
- Undertaking periodic reviews of the administration of the estate to ensure statutory compliance.
- Dealing with receipts and payments through the administration estate.
- Completing bank reconciliations.

The majority of the above work will derive no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. All of the work in the category is required under the Insolvency Act and Rules.

Investigations

Time recorded under this category will include:

- Correspondence with the Company's accountants regarding statutory records and ongoing investigations (if required).
- Liaising with the directors regarding the ongoing investigations and obtaining further information (if required).
- Determining whether there are any claims against the directors or any other parties.
- Corresponding with our solicitors in relation to any claim against any party.

The majority of the above work will derive no financial benefit for creditors unless there is a viable claim against any party. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. All of the work in the category is required under the Insolvency Act and Rules.

Realisation of assets

Time recorded under this category will include:

- Monitoring debt collection and taking the necessary legal action to recover the outstanding book debts.

The above work may have a direct financial benefit for creditors as it will result in further funds in the estate account.

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

Time recorded under this category will include:

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining up to date creditor information and amending claims.
- Distributing funds to the secured creditor under their fixed charge.
- Distributing funds to the secured creditor under their floating charge (if required).
- Adjudicating unsecured creditor claims (if required).

We are required to respond to creditors in a timely manner and provide information relating to the administration of the estate in accordance with the Act. Furthermore, we are required to adjudicate creditor claims prior to distributing any funds to creditors.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

Time recorded under this category will include:

- Dealing with ad hoc correspondence and queries relating to the administration of the case.
- Submission of Corporation Tax and VAT returns to HMRC.

This work is required so we can close the case in due course.

How much will this further work cost?

As detailed above, we are very close to exceeding our original fee estimate. It is difficult to estimate the cost of this future work as it ultimately depends on the outcome of our investigations into the Company's affairs. Therefore, we have not put forward a revised fee estimate at this stage. However, we estimated our future time costs at c.£20k for the purposes of this report

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 revised estimate of anticipated expenses attached at Appendix 3.

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

As detailed above, our original fee estimate of £51,656.00 is likely to be exceeded. For the purposes of this report we have estimated that our total revised time costs will be in the region of £71,656.00 although this heavily depends on the outcome of our investigations into the Company's affairs. We reserve the right to request additional fee approval from the relevant body of creditors in due course.

9. OTHER RELEVANT INFORMATION

Extension of administration

The administration has been extended for a period of 12 months with the consent of the secured creditor.

Proposed exit route from administration

As detailed in our proposals, the proposed exit route from Administration is Dissolution.

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.

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

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



Julie Palmer
Joint Administrator

Dated: 18 August 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 24 January 2021 to 23 July 2021

Statement of Affairs £	From 24/01/2021 To 23/07/2021 £	From 24/07/2020 To 23/07/2021 £
	SECURED ASSETS	
NIL	Leasehold Additions	NIL
209,742.00	Goodwill & Intellectual Property	209,742.00
5.00	Business Records, WIP & Contracts	5.00
NIL	Investments	NIL
	Interest and Costs	1,921.86
		55,145.86
	COSTS OF REALISATION	
	Administrators' Fees	20,000.00
	Administrators' Expenses	1,803.74
	Agents/Valuers Fees	2,940.00
	Legal Fees	8,338.27
	Legal Disbursements	77.33
	Agents/Valuers Disbursements	221.29
		(33,380.63)
	SECURED CREDITORS	
(2,700,000.00)	Barclays Bank Plc	NIL
		NIL
	ASSET REALISATIONS	
	Bank Interest Gross	7.02
39,013.50	Book Debts	12.69
2,901.75	Cash at Bank	NIL
NIL	Corporation Tax	NIL
22,500.00	Furniture & Equipment	22,500.00
	Misc Refunds	109.81
Uncertain	Prepayments	NIL
		116.83
	COST OF REALISATIONS	
	Agents/Valuers Disbursements	23.71
	Agents/Valuers Fees (2)	315.00
	Legal Fees	1,341.06
		(1,679.77)
	UNSECURED CREDITORS	
(1,386,075.00)	Banks/Institutions	NIL
(3,651,856.00)	Connected Entity	NIL
(5,117,581.00)	Director/Shareholder Loans	NIL
(388.39)	Employees	NIL
(1,029,955.53)	HMRC (non VAT)	NIL
(186,612.07)	HMRC (VAT)	NIL
(870,615.81)	Trade Creditors	NIL
		NIL
	DISTRIBUTIONS	
(209,185.00)	Ordinary Shareholders	NIL
		NIL
(14,878,106.55)		20,202.29
	REPRESENTED BY	
	Fixed Charge	171,623.65
	Fixed VAT Control Account	6,676.13
	Floating Charge	20,595.23
	Vat Control Account	335.95
		199,230.96

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 24 January 2021 to 23 July 2021; and
- c. Cumulative Time Costs Analysis for the period from 24 July 2020 to 23 July 2021

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 percentage/set fee/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.

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

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

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.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

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

Eddisons Commercial Ltd may be instructed to provide valuation services and to dispose of the Company's assets. They charge £750 plus disbursements plus VAT for completing the valuation report. They also charge 10% of realisations plus disbursements plus VAT for disposing the Company's assets.

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

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

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged.

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

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

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any

freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the 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 disbursement*:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

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

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. As detailed above, time is recorded in 6 minute units.

SIP9 Mylife Digital Limited Administration 25MY740'ADM Time Costs Analysis From 24/01/2021 To 23/07/2021

Staff Grade		Consultant/Partner	Director	Corporate	Staff	Assistant	Senior Admin	Admin	Junior Admin	Support	Shop Hours	Time Cost £	Hourly rate £
General Case Administration and Planning	Case planning	4.7	0.7					0.3			5.7	1,254.00	220.00
	Administration	4.0	1.0				0.1	7.4			12.5	2,754.50	220.36
	Total for General Case Administration and Planning	8.7	1.7				0.1	7.7			18.2	4,008.50	220.25
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding							2.0		4.0	6.0	1,320.00	220.00
	Case Closure												0.00
	Statutory reporting and statement of affairs		1.0				2.3				3.3	760.50	230.45
	Total for Compliance with the Insolvency Act, Rules and best practice		1.0				2.3	2.0		4.0	9.3	2,080.50	223.71
Investigations	CDDA and investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection						0.2	0.5			0.7	157.00	224.28
	Property, business and asset sales	2.9	1.0								3.9	858.00	220.00
	Retention of Total/Third party assets												0.00
	Total for Realisation of assets:	2.9	1.0				0.2	0.5			4.6	1,015.00	220.63
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured		1.0								1.0	220.00	220.00
	Others						0.2	1.7			1.9	421.00	221.58
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions		1.0				0.2	1.7			2.9	641.00	221.03
													0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other		1.5					1.0			2.5	550.00	220.00
	Tax							1.7			1.7	374.00	220.00
	Litigation												0.00
	Total for Other matters:		1.5					2.7			4.2	924.00	220.00
													0.00
Total hours by staff grade:		11.6	6.2				2.8	14.6		4.0	39.2		
Total time cost by staff grade £:		2,592.00	1,364.00				638.00	3,215.00		880.00		6,643.00	
Average hourly rate £:		220.00	220.00	0.00	0.00	0.00	225.00	220.21	0.00	220.00			221.15
Total fees drawn to date £:												0.00	

[illegible]

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Evershed Sutherland	14,769.33	9,379.33	5,000.00
Legal disbursements	Evershed Sutherland	77.33	77.33	Nil
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agent's fees & disbursements paid to Eddisons	Eddisons Commercial	3,500.00	3,500.00	Nil

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory advertising	Courts Advertising	85.85
Bond	Marsh	80.00
Carriage	There Today Couriers	48.33
Pension Advice	Evolve IS	150.00
Miscellaneous	BMC Group	1,417.50
Legal fees	Osborne Clarke LLP	845.71
	Eversheds Sutherland	14,769.33
Legal disbursements	Eversheds Sutherland	77.33

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 £
Legal fees	Uncertain at this stage	Uncertain at this stage as it depends on the outcome of our investigation into the Company's affairs.
Legal disbursements	Uncertain at this stage	Uncertain at this stage as it depends on the outcome of our investigation into the Company's affairs.
Statutory Advertising (if applicable)	Courts Advertising	90.00
Legal fees	Uncertain at this stage	Uncertain at this stage as it depends on the outcome of our investigation into the Company's affairs.