



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

1 Company details

Company number 1 1 2 2 1 1 2 6

Company name in full Quanta Law Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Dean

Surname Watson

3 Administrator's address

Building name/number Begbies Traynor (Central) LLP

Street 340 Deansgate

Post town Manchester

County/Region

Postcode M 3 4 L Y

Country

4 Administrator's name ①

Full forename(s) Paul

Surname Stanley

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Begbies Traynor (Central) LLP

Street 340 Deansgate

Post town Manchester

County/Region

Postcode M 3 4 L Y

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 1 | ^d 9 | ^m 0 | ^m 6 | ^y 2 | ^y 0 | ^y 2 | ^y 3 |
| To date | ^d 1 | ^d 8 | ^m 1 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 3 |

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 7 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 4 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

**Presenter information**

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

Contact name **Dale Taylor**

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

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX

Telephone

0161 837 1700

**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

Dean Watson and Paul Stanley were appointed joint administrators on 19 June 2023

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.

Quanta Law Limited (In Administration)

Progress report of the joint administrators

Period: 19 June 2023 to 18 December 2023

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.

Contents

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 - 2. Time costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|---|---|
| "the Company" | Quanta Law Limited (In Administration) |
| "the administration" | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 19 June 2023 |
| "the administrators" "we" "our" and "us" | Dean Watson and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| "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" | <ul style="list-style-type: none">(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 | Quanta Law Limited |
| Trading name(s): | Quanta Law |
| Date of Incorporation: | 22 February 2018 |
| Company registered number: | 11221126 |
| Company registered office: | C/O Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| Former registered office and trading address: | Floor 2, Southgate 2, Wilmslow Road, Herald Green, Cheadle, Greater Manchester, SK8 3PW |

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

| | |
|--|--|
| Names of the administrators: | Dean Watson, and Paul Stanley, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| Date of administrators' appointment: | 19 June 2023 |
| Date of administrators' resignation: | N/A |
| Court: | In the High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List (ChD) |
| Court Case Number: | CR-2023-MAN-000787 |
| Person making appointment / application: | Brendan Cocoman of 72 Derrygreenalgh Park, Rochfordbridge, County Westmeath, Ireland as Qualifying Floating Charge Holder |
| Acts of the administrators: | The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time. |
| Type of Proceedings: | The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended) |
| Extensions of the administration period | There have been no extensions to the administration period |

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 June 2023 to 18 December 2023.

Receipts

Cash in Hand

The Company deposited £24,000 in the client account of DOW Schofield Watts Business Recovery LLP prior to our appointment. These funds have been recovered.

Bank Interest

Interest of £98 has been received from Barclays Bank in the period covered by this report.

Payments

Specific Bond

£48 has been paid to Specialist Risk Insurance Services Limited in relation to the specific bond.

Administrators' Fees

£7,500 has been drawn on account of our fees against the amount approved by creditors. Further details in relation to administrators' fees can be found in Section 6 of this report.

Postage

£54 has been paid to Postworks in relation to postage costs incurred.

Statutory Advertising

£109 has been paid to Courts Advertising Limited in relation to the advert placed in the London Gazette following 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. The details below relate to the work undertaken since our appointment.

General case administration and planning

We are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case. Time charged to this area has mainly included:

- Creating and maintaining an electronic case diary;
- Completing various internal checklists;
- Filing information and documents to case file;
- Internal discussions regarding case progression and strategy;
- Correspondence with solicitors regarding various matters pertaining to the administration;
- Dealing with ad hoc items as and when required; and

- Undertaking compliance reviews.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that we all carry out our work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

We are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office.

Time spent charge to this area has mainly included:

- Opening a bank account for the administration estate monies;
- Preparing and processing payment requests;
- Preparing and processing income vouchers;
- Obtaining our bond;
- Creating and updating our internal records to record pertinent data relating to the case;
- Considering and documenting data risks and personal data held by the Company;
- Preparing and sending all statutory documents to all interested parties;
- Advertising the appointment in the London Gazetted;
- Delivering notice to the Registrar of Companies;
- Writing to the Company's sole director explaining the effects of our appointment, their requirement to submit a statement of the Company's assets and liabilities and complete a questionnaire;
- Completing a number of internal administration checklists;
- Visiting the Company premises to review physical assets and collect records;
- Collecting the Company's records ;
- Writing to the trustee of the pension scheme, The Pension Protection Fund and The Pensions Regulator providing notices under S120 Pensions Act 2004 and S22 Pensions Act 1995;
- Meeting with the Company's former management team;
- Meeting with Quantuma on behalf of AFL;
- Liaising with Quantuma and collected information;
- General administration of the case including virtual filing of documents;
- Formulating the Statement of Proposals;
- Correspondence surrounding historic data breach;

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

Time charged to this area has mainly included:

- Seeking access to the Company's management system;
- Collecting and reviewing the Company's bank statements;
- Initial internal discussions regarding investigation matters;
- Reviewing the Company's extensive amount of agreements;
- Liaising with the Company's former management team with various investigation queries;
- Collecting and reviewing the Company's extensive records;
- Preparing an investigation checklist, memo and online report;
- Making our submission with the Department for Business, Energy and Industrial Strategy; and
- Meeting with solicitors to discuss potential lines of investigation enquiries.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Time charged to this area has mainly included:

- Communications surrounding the return of third party assets;
- Liaising with the Company's banking provider in relation to credits in the client account;
- Liaising with the Company's debt collection service providers;
- Reviewing the Company's debtor position; and
- Internal strategy communications surrounding the Company's book debts.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

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

Time charged to this area has mainly included:

- Writing to former employees terminating their contracts of employment and provided guidance on how to make claims for unpaid entitlements
- Facilitating the claims of former employees including those who had their contracts of employment terminated prior to our appointment;
- Preparing correspondence to creditors;
- Receipting and filing proof of debt forms; and
- Liaising with creditors and dealing with ad hoc queries.

The above work will not necessarily bring any financial benefit to creditors; however, we are required by statute to undertake this work.

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

Time charged to this area has mainly included:

- Liaising with the Trustee of the Company's pension scheme;
- Collecting and reviewing information in relation to the unsuccessful VAT reclaim and penalty; and
- Communicating with the Company's former management team and representatives in respect of the unsuccessful VAT reclaim and penalty;
- Liaising with a VAT specialist in relation to the unsuccessful VAT reclaim;
- Liaising with HMRC in relation to the unsuccessful VAT reclaim;
- Deregistering the Company for VAT purposes;
- Assessing the prospects of a VAT bad debt relief claim;
- Assessing the prospect of a Terminal Loss Relief claim; and
- Submitting VAT returns.

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:

Preferential creditors

Based upon realisations to date and estimated future realisations, we anticipate that there will be sufficient funds available to enable a dividend to be paid to the preferential creditors. The timing and quantum of any such dividend remain uncertain at this stage.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, we anticipate that there will be insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

Qualifying Floating Charge Holder

We have estimated that the Company's net property will be £nil. Therefore, based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the qualifying floating charge holder.

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.

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 of £104,960.

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 19 June 2023 to 18 December 2023 amount to £78,776.50 which represents 228 hours at an average rate of £344.91 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 19 June 2023 to 18 December 2023
- ❑ Begbies Traynor (Central) LLP's charging policy

To 18 December 2023, we have drawn the total sum of £7,500 on account of our remuneration, against total time costs of £78,776.50 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.

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

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

Category 1 Expenses

A detailed statement of Category 1 expenses can be found at Appendix 3.

Category 2 Expenses

To 18 December 2023, no Category 2 expenses have been incurred.

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would be between £3,305 and £21,305. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

According to the director's statement of affairs, the Company had no assets as at 19 June 2023. As per our statement of proposals, the Company's records suggest that the Company has book debts with a book value of £221,322. We will continue with our additional enquiries and make attempts to make recoveries in respect of the book debts.

We will continue with our investigations in relation to specific matters to establish whether there any claims to be pursued for the benefit of creditors.

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

We will continue to undertake reviews of the case to ensure it is progressed efficiently, virtually file documents relating to the case, copy documents and deal with all matters which may arise in the future which do not relate to any of the below specific matters. The case team will continue to have periodic discussions regarding case strategy to ensure all matters are dealt with.

This work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Compliance with the Insolvency Act, Rules and best practice

Within a month of every six-month anniversary of the date of appointment a progress report will be filed at Companies House and made available to members and creditors. A final report will also be made available at the conclusion of the administration. We will continue to undertake regular reviews of our bordereau to ensure that the case is bonded appropriately. We will also continue to undertake regular reconciliations of the administration estate bank account.

We may also need to seek an extension of the administration period (with the consent of creditors) for a further 12 months to allow the ongoing matters to be completed.

Investigations

We will continue with our investigations in relation to specific matters to establish whether there any claims to be pursued for the benefit of creditors. We will continue to document our investigations and summarise its conclusion for the purposes of our future reports. We will liaise with solicitors and any other professional advisors where necessary.

Realisation of assets

We will continue with our attempted to recover the Company's book debts.

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

We will continue to liaise with creditors during the course of the administration, which will include the recording of claims, the provision of ad hoc updates and dealing with general queries.

Should funds allow, we will make take steps to agree the claims of creditors prior to making a distribution.

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

We will submit further Company Tax Returns at the appropriate time and submit further VAT returns and reclaims if necessary.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been carried out or completed. As you know, this work is necessary in order that I may complete the administration as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses disclosed in our statement of proposals which included all of the expenses that we anticipate that we will incur throughout the administration.

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

We estimated that the cost of administering the case would be in the region of £104,960 and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, I can estimate that total remuneration drawn will be in the region of £20,000. Costs incurred over and above our approval will be written off.

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

9. OTHER RELEVANT INFORMATION

Proposed exit route from administration

Exit from Administration

Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

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

Creditors' Voluntary Liquidation

We confirm that we do not expect that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part.

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

Consequently, in the event it transpires that a distribution will be made to unsecured creditors (not expected) as soon as we are satisfied that we have fully discharge our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

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

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

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

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

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

The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months.

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

A handwritten signature in black ink, appearing to be 'DW' or similar, written in a cursive style.

Dean Watson
Joint Administrator

Dated: 17 January 2024

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 June 2023 to 18 December 2023

| S of A £ | £ | £ |
|-----------------|----------------------------------|------------|
| | ASSET REALISATIONS | |
| | Cash in Hand | 24,000.00 |
| | Bank Interest Gross | 97.59 |
| | | <hr/> |
| | | 24,097.59 |
| | COST OF REALISATIONS | |
| | Specific Bond | 48.00 |
| | Administrators' Fees | 7,500.00 |
| | Stationery & Postage | 54.18 |
| | Statutory Advertising | 109.08 |
| | | <hr/> |
| | | (7,711.26) |
| | PREFERENTIAL CREDITORS | |
| (31,371.00) | RPO | NIL |
| (7,623.00) | Pension Contributions | NIL |
| | | <hr/> |
| | | NIL |
| | SECONDARY PREFERENTIAL CREDITORS | |
| (2,019,428.62) | HMRC | NIL |
| | | <hr/> |
| | | NIL |
| | FLOATING CHARGE CREDITORS | |
| (12,374.00) | Brendan Cocoman | NIL |
| | | <hr/> |
| | | NIL |
| | UNSECURED CREDITORS | |
| (23,027,159.40) | Trade Creditors | NIL |
| (732,015.00) | Ryans Solicitors Limited | NIL |
| (5,068,469.00) | ME Group Entities | NIL |
| (102,672.00) | Barclays | NIL |
| (27,191.00) | Barclaycard | NIL |
| (565,200.00) | HMRC penalty | NIL |
| | | <hr/> |
| | | NIL |
| <hr/> | | |
| (31,593,503.02) | | <hr/> |
| | | 16,386.33 |
| | | <hr/> |

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 19 June 2023 to 18 December 2023.

BEGBIES TRAYNOR (CENTRAL) LLP'S 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 the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. 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;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

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

BEGBIES TRAYNOR CHARGE-OUT RATES

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

| Grade of staff | Charge-out rate range (£ per hour) 10 th July 2023 until further notice |
|-----------------------------|---|
| Appointment taker/partner | 560-640 |
| Managers/directors | 415-540 |
| Other professional | 215-300 |
| Junior professional/support | 170 |

Prior to 10th July 2023, the following rates applied:

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

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

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

TIME COSTS ANALYSIS FOR THE PERIOD FROM 19 JUNE 2023 TO 18 DECEMBER 2023

| Staff Grade | | Consultant/Partner | Director | Sr Mngr | Mngr | Asst Mngr | Snr Admin | Admin | Jnr Admin | Support | Total Hours | Time Cost £ | Average hourly rate £ |
|---|---|--------------------|------------------|-----------------|---------------|-------------|------------------|-------------|-----------------|---------------|--------------|------------------|-----------------------|
| General Case Administration and Planning | Case planning | 3.0 | 9.9 | 4.5 | | | 13.1 | | | | 30.5 | 12,423.50 | 407.33 |
| | Administration | | 0.6 | 0.2 | 0.2 | | 2.9 | | 10.9 | | 14.8 | 3,049.00 | 206.01 |
| | Total for General Case Administration and Planning: | 3.0 | 10.5 | 4.7 | 0.2 | | 16.0 | | 10.9 | | 45.3 | 15,472.50 | 341.56 |
| Compliance with the Insolvency Act, Rules and best practice | Appointment | 1.8 | 0.2 | 1.4 | | | 45.1 | | | | 48.5 | 13,156.00 | 271.30 |
| | Banking and Bonding | 0.1 | 0.2 | | | | 1.1 | | | 1.1 | 2.5 | 634.50 | 253.80 |
| | Case Closure | | | | | | | | | | | | 0.00 |
| | Statutory reporting and statement of affairs | 8.3 | 0.4 | | | | 18.3 | | | | 27.0 | 10,093.50 | 373.83 |
| | Total for Compliance with the Insolvency Act, Rules and best practice: | 10.2 | 0.8 | 1.4 | | | 64.5 | | | 1.1 | 78.0 | 23,886.00 | 306.23 |
| Investigations | GDRA and investigations | 14.5 | 3.6 | | | | 29.5 | | | | 47.6 | 18,503.50 | 388.73 |
| | Total for investigations: | 14.5 | 3.6 | | | | 29.5 | | | | 47.6 | 18,503.50 | 388.73 |
| Realisation of assets | Debt collection | 0.5 | 0.2 | | | | 1.1 | | | | 1.8 | 664.50 | 369.17 |
| | Property, business and asset sales | | 0.1 | | | | 2.1 | | | | 2.2 | 605.50 | 275.23 |
| | Retention of title/Third party assets | 0.5 | | | | | 3.5 | | | | 4.0 | 1,212.50 | 303.13 |
| | Total for Realisation of assets: | 1.0 | 0.3 | | | | 6.7 | | | | 8.0 | 2,482.50 | 310.31 |
| Trading | Trading | | | | | | | | | | | | 0.00 |
| | Total for Trading: | | | | | | | | | | | | 0.00 |
| Dealing with all creditors claims (including employees), correspondence and distributions | Secured | | | | | | | | 0.5 | | 0.5 | 77.50 | 155.00 |
| | Others | 9.5 | 3.4 | 1.3 | | | 14.8 | | | | 29.0 | 11,865.50 | 409.16 |
| | Creditors committee | | | | | | | | | | | | 0.00 |
| | Total for Dealing with all creditors claims (including employees), correspondence and distributions: | 9.5 | 3.4 | 1.3 | | | 14.8 | | 0.5 | | 29.0 | 11,943.00 | 404.85 |
| Other matters which includes meetings, tax, litigation, pensions and travel | Seeking decisions of creditors | | 0.3 | | | | 5.0 | | | | 5.3 | 1,493.00 | 281.70 |
| | Meetings | | 1.5 | 1.5 | | | | | | | 3.0 | 1,387.50 | 462.50 |
| | Other | | 0.2 | 0.5 | | | 2.9 | | | | 3.6 | 1,058.00 | 293.89 |
| | Tax | | 1.4 | | | | 6.7 | | | | 8.1 | 2,550.50 | 314.88 |
| | Litigation | | | | | | | | | | | | 0.00 |
| | Total for Other matters: | | 3.4 | 2.0 | | | 14.6 | | | | 20.0 | 6,489.00 | 324.45 |
| | Total hours by staff grade: | 38.2 | 22.0 | 9.4 | 0.2 | | 146.1 | | 11.4 | 1.1 | 228.4 | | |
| | Total time cost by staff grade £: | 23,047.00 | 11,799.00 | 4,089.00 | 83.00 | | 37,696.50 | | 1,879.50 | 182.50 | | 78,776.50 | |
| | Average hourly rate £: | 603.32 | 536.32 | 435.00 | 415.00 | 0.00 | 258.02 | 0.00 | 164.87 | 165.91 | | | 344.91 |

APPENDIX 3

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 | | | | |
| Specific Bond | Specialist Insurance Risk Services Limited | 48 | 48 | NIL |
| Postage | Postworks Limited | 110.10 | 54.18 | 56.92 |
| Statutory advertising | Courts Advertising Limited | 109.08 | 109.08 | NIL |

Please note that legal fees have also been incurred with Bermans in relation to advice provided to the administrators generally throughout appointment. Our next progress report will confirm details of any costs incurred (and paid) where necessary.