

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number	1	2	6	6	5	2	1	1
Company name in full	Adaptable Consultancy Limited							

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

2 Administrator's name

Full forename(s)	Craig James
Surname	Povey

3 Administrator's address

Building name/number	8th Floor
Street	One Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 L G
Country	

4 Administrator's name ①

Full forename(s)	Charles
Surname	Turner

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

5 Administrator's address ②

Building name/number	8th Floor
Street	One Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 L G
Country	

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

AM03

Notice of Administrator's Proposals

6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

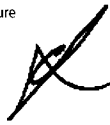
8

Sign and date

Administrator's
Signature

Signature

X



X

Signature date

^d

3

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1

^m

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^m

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^y

2

^y

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^y

2

^y

2

AM03

Notice of Administrator's Proposals



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 **Dan Williams**

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

Address
8th Floor
One Temple Row

Post town

County/Region **Birmingham**

Postcode **B 2 5 L G**

Country

DX

Telephone **0121 200 8150**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

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.

Adaptable Consultancy Limited (In
Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. 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. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Contents

- ❑ Interpretation
- ❑ Statutory information
- ❑ Details of appointment of administrators
- ❑ Circumstances giving rise to our appointment
- ❑ Statement of affairs
- ❑ The administration period
- ❑ Estimated outcome for creditors
- ❑ Proposals for achieving the purpose of the administration
- ❑ Pre-administration costs
- ❑ Remuneration and expenses
- ❑ Other information to assist creditors
- ❑ Conclusion
- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Directors' statement of affairs
 - 3. Remuneration and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Adaptable Consultancy Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 20 April 2022
"the administrators", "we", "our", "us"	Craig Povey of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG and Charles Turner of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG
"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 Act

2. STATUTORY INFORMATION

Name of Company	Adaptable Consultancy Limited	
Trading name(s):	Adaptable Logistics	
Date of Incorporation:	12 June 2020	
Company registered number:	12665211	
Company registered office:	8th Floor, One Temple Row, Birmingham, B2 5LG	
Former registered office:	1 Brunel Road, Earlstrees Industrial Estate, Corby, England, NN17 4SL	
Trading address(es): (or attach a separate sheet if more than one)	1 Brunel Road, Earlstrees Industrial Estate, Northamptonshire, NN17 4SL	
Principal business activities:	Business Services - Professional Services	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Mark Andrews	3 ordinary (100%)
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	None	N/A
Auditors:	Hamiltons Accountants & Business Advisors, Meriden House, 6 Great Cornbow, Halesowen, B63 3AB	
Share capital:	3 ordinary shares of £1 each	
Shareholders:	Mark Andrews	
Moratorium under Part A1 of the Act:	No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	20 April 2022
Date of resignation:	N/a
Court:	High Courts of Justice Business & Property Court in Birmingham Company & Insolvency List
Court Case Number:	CR-2022-BHM-000183

Person(s) making appointment / application:

WeDo Finance Limited, Unit 6 Hollinwood Business Centre, Albert Street, Oldham, England, OL8 3QL

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)

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The company was incorporated on the 12th June 2020 by the sole director/shareholder Mark Andrews.

The main reason for incorporation of the Company was to sit along-side the director's other business, Adaptable Finance Ltd awaiting a business opportunity. The company lay dormant until July 2021.

As part of the director's other business he was introduced to a collection of companies, Stoneport Holdings Ltd, DB Transport Ltd, Railform Services Ltd and Southampton Logistics Ltd. These companies had been attempting to secure a Company Voluntary Arrangement with the assistance of an independent firm of insolvency practitioners.

The restructuring wasn't going to plan and Mark Andrews was initially brought in to assist in refinancing the companies. After several meetings it was agreed that Adaptable Consultancy Ltd would acquire the trade and a number of the assets of Stoneport Holdings Limited

An operator's licence was obtained on a temporary basis. Prior to commencement of trading David Harkcom was made a director and 33% shareholder. David was the FD for the above mentioned group companies although he resigned his post prior to trading.

The Company entered into an invoice finance agreement with WeDo Finance Ltd, which commenced on the 1st November 2021. Asset finance agreements with County Asset Finance Ltd were novated over from Stoneport Holdings Ltd after their termination.

The principal activity was that of haulage and storage. The Company covered the whole of the UK with no overseas customers. Trading began on the 1st November 2021 and in the first 2 months a turnover of circa £500k was achieved. These months are the busiest for transport companies. January 2022 was a comparatively slower month with turnover being less than £200k.

The trading premises, a 50 square foot warehouse, was being sublet to the Company from DB Warehousing Ltd and the agreement provided for a six month rent free period..

In total there were 43 staff members. The transport manager Paul Wheatley oversaw the day to day running of the business and finance operations were run by Nicola Malcolmson.

The Company's main customer was Ceva Logistics and Ceva Freight Ltd, which accounted for 80% of all turnover. It was clear at the outset that the operation trading from a Chesterfield address was a cash drain on the business, as the site was unprofitable. At the beginning of December 2021, it was decided that this site would close after Christmas. Unfortunately, the previous tenant Railform Services Ltd owed a considerable amount of rent. This resulted in the landlord locking the Company out in mid-December. All staff were consequently, made redundant and the site ceased trade.

On the 5th February 2022 a letter was received from the Traffic Commissioner terminating the Company's operators licence with immediate effect. The reason for this is a 12-month licence had not been applied for. The temporary licence was incorrectly understood to be valid until 28th February 2022.

As result of the removal of the Operators Licence it is understood the director instructed transport manager to immediately remove all vehicles from the road and for them to be stored at the Corby site. For the next week the director tried numerous ways to overturn The Traffic Commissioners decision, all to no avail. It was at this point the director engaged the services of Begbies Traynor Group to put the Company through an insolvency process as with no licence it is impossible to trade a transport business.

When the director first approached Begbies Traynor the Company was unable to pay its debts as they fell due. On further review of the Company records, it was apparent that the Company was cashflow insolvent. Agents (MGR Appraisals Limited) were appointed and on their advice it was anticipated that the Company could be sold as a going concern and a statutory purpose as defined in paragraph 3(1)(b) of Schedule B1 IA 1986 achieved. In light of this a Notice Of Intention to appoint an Administrator (NOI) was filed by the director on 4 March 2022.

Discussions with prospective purchasers continued beyond a 10-day period and on the basis that these were progressing positively a further NOI was filed on 18 March 2022.

Unfortunately, despite the appointed agent's attempts, the negotiations with the prospective purchasers did not progress to agreed terms and a sale of the Company's business as a going concern looked as if it may not be achievable.

Given the insolvency of the Company, we advised the director of his duty to the Company's business creditors and in light of that advice, he resolved to place the Company into Creditors' Voluntary Liquidation (CVL).

Wedo Finance Ltd (Wedo) holds a fixed and floating charge over the Company's assets in the form of a debenture which was entered into on 8 November 2021 and registered at Companies House on 9 November 2021. Wedo were served with the sealed NOI's referred to above. They did not take any action in relation to the same. However, following the request of the Company's creditors to call a meeting for the purpose of placing the Company into CVL, we understand that they reviewed their position and sought further input from the valuation agents previously appointed to review the Company's assets and a sale price that could be achieved if the Company were placed into Administration as opposed to CVL.

This further review has resulted in the agents achieving an offer from an unconnected party for certain of the Company's assets, including the racking located at the Company's premises and the office equipment. The agents have advised that this offer should be accepted and the offer is in the process of being finalised with the relevant parties.

5. STATEMENT OF AFFAIRS

The directors have prepared a statement of affairs of the Company as at 20 April 2022 which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

Our comments on the statement of affairs can be found on the pages that follow.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 20 April 2022 to 25 May 2022.

There have been no realisations or payments to date in this matter.

Work undertaken by the Administrators and their staff

Since our appointment we have undertaken the following statutory obligations:

- Sending notification of the Administrators appointment to the Registrar of Companies, the various classifications of creditors and the shareholder;
- Arranging the advertisement of the appointment in the London Gazette;
- Freezing the pre appointment bank account and opening new bank accounts in the administration;
- Sending notification of the Administrators appointment (VAT 769) to HM Revenue and Customs;
- Corresponding with the directors and requesting the delivery of a Statement of Affairs;
- Preparing the Administrators' Statement of Proposals.
- Preparing and submitting the RP14 and RP14a to the Redundancy Payments Service
- Responding to requests for further information from the Redundancy Payments Service
- Dealing with queries raised in respect of employee claims.
- We continue to liaise with our Solicitors, Silverback Commercial Law, regarding the sale of the assets of the Company.
- Liaising with WeDo Finance regarding queries raised in respect of the outstanding debtor ledger.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditor

The Company granted a fixed and floating charge to WeDo Finance Ltd ("WeDo") which was created on 8 November 2021 and delivered on 9 November 2021. The amount owed to WeDo as per the Statement of Affairs is £104,553.33.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £40,044.38.

Secondary preferential creditors

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

The secondary preferential claim of HMRC is estimated at £18,000.

Unsecured creditors

Claims of unsecured creditors were estimated at £771,063. Included within this figure are estimated shortfalls due to WeDo Finance Limited and County Asset Finance of £47,553 and £287,280 respectively, as well as trade creditors of £113,993 and unsecured employee claims of £322,236.

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

Secured creditor

Any return to WeDo is dependent upon their collection of the factored book debts.

Preferential creditors

Any return to the preferential creditors will be dependent upon any book debt surplus received from WeDo Finance Limited and the quantum thereof.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HMRC as secondary preferential creditor.

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 £800,000

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 £NIL and the prescribed part of the Company's net property to be £NIL.

The administrators have not made a distribution of the prescribed part as the estimate of the Company's net property is less than the minimum prescribed and the administrators consider that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

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 explained in our initial correspondence confirming our appointment as administrators, 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.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). This is because the Company had ceased to trade prior to appointment and their operator's licence had expired. It was therefore not possible to rescue the Company as a going concern.

Details of proposals

We consider that this objective is likely to be achieved due to the proposed sale of the Company's assets to a third party. It was considered that there would be no equity in the assets if they were to be sold by any other way than via an Administration process.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- ☐ Continue with the sale of the Company's interest in the fixed assets to a third party.
- ☐ Assist WeDo Finance Limited (where appropriate) with the collection of the remaining book debts.
- ☐ Deal with all other statutory obligations and duties required of the administrators.

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.

Contingency Plan – extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we and/or WeDo Finance Ltd are not able to conclude the debt collection exercise before the anniversary of the appointment. 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, our 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. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Contingency Plan – unforeseen surplus funds

If (whether or not an extension to the period of administration actually becomes necessary) it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on our application, we will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.

Compulsory Liquidation

If the purpose of the Administration can not be achieved, then it will be necessary to apply to court for the compulsory winding up on the Company. 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.

9. PRE-ADMINISTRATION COSTS

Appendix 3 provides details of the work "The Work" that we have carried out, the associated costs and our proposed remuneration. The Work was carried out pursuant to an agreement made between us and the Company entered into on 17 February 2022 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because it was necessary to establish the potential options regarding a sale of the business and or its assets. It has allowed for an increase in realisations. For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	6,483.00	1,296.60	7,779.60
Legal costs	Silverback Commercial Law Services Limited	2,105.00	400.00	2,505.00
Agents costs	MGR Appraisals	3,450.00	690.00	4,140.00
TOTAL PRE-ADMINISTRATION COSTS		12,038.00	2,386.60	14,424.60

Some of the pre-administration costs are unpaid. We are not seeking approval to recover our fees in relation to the Work because they are to be met by a third party. However, we are seeking approval for the payment of our legal costs and agents costs, which remain unpaid.

The legal costs incurred are those necessary in order to prepare and file appropriate documentation at Court for the Company to enter Administration.

MGR Appraisals were instructed to assist with the valuation and sale of the tangible assets of the Company. MGR Appraisals liaised with prospective purchasers and provided their recommendations in respect of the offers received and the sales process.

Prior to the administration appointment, costs were also incurred for work undertaken in respect of a potential liquidation appointment. Time costs incurred were £19,362 (plus VAT). Some of the time costs incurred for this work were relevant to the Administration, including but not limited to, dealing with employee matters and the preparation of the statement of affairs. We are not seeking a decision regarding the approval of these fees.

The total cost of our fees in relation to the Work and in relation to the formerly proposed liquidation appointment is £25,845. Against this, we have received £25,000 from WeDo Finance Limited. We shall not be seeking approval in respect of the shortfall.

10. REMUNERATION AND EXPENSES

Remuneration

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what we believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules 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 for attending to matters as set out in the fees estimate at Appendix 3.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. There are no known relationships which would give rise to a conflict of interest in this case.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 20 April 2022.

Expenses

We propose that expenses for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These expenses will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

Bordereau - £18.00

Statutory Advertising - £103.50

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in

relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 1 June 2022.

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.

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

12. CONCLUSION

As explained in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors.

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 15 June 2022. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.

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

Craig Povey
Joint Administrator

Date: 30 May 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

20 April 2022 to 25 May 2022

Adaptable Consultancy Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 25/05/2022

S of A £		£	£
	HIRE PURCHASE		
57,000.00	Factored book debts	NIL	
(104,553.33)	Wedo Finance	NIL	
Uncertain	Plant & Machinery	NIL	
(287,280.00)	County Asset Finance	NIL	
40,000.00	Furniture & Equipment	NIL	
(22,500.00)	Paul Diggins	NIL	
			NIL
	PREFERENTIAL CREDITORS		
(40,044.38)	Employees re Arrears/Hol Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(10,000.00)	HMRC (PAYE)	NIL	
(8,000.00)	HMRC (VAT)	NIL	
			NIL
	UNSECURED CREDITORS		
(113,993.37)	Trade Creditors	NIL	
(322,236.32)	Employees	NIL	
			NIL
	DISTRIBUTIONS		
(3.00)	Ordinary Shareholders	NIL	
			NIL
(811,610.40)			NIL
	REPRESENTED BY		
			NIL

Craig Povey
Joint Administrator

DIRECTOR'S STATEMENT OF AFFAIRS AS AT 20 APRIL 2022

STATEMENT OF AFFAIRS

Name of Company
Adaptable Consultancy Limited

Company Number
12665211

In the
High Courts of Justice Business & Property Court in
Birmingham Company & Insolvency List

Court case number
CR2022BHM000183

Statement as to the affairs of

Adaptable Consultancy Limited

8th Floor

One Temple Row

Birmingham

B2 5LG

on the 20 April 2022, the date that the company entered administration.

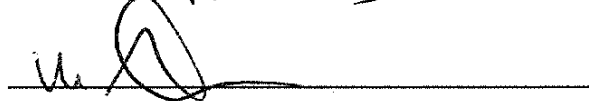
Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 20 April 2022 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full Name

Mamie Andrews

Signed



Dated

27-04-2022

Adaptable Consultancy Limited
Company Registered Number: 12665211
Statement Of Affairs as at 20 April 2022

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £	
Assets subject to fixed charge:			
Factored book debts	140,991.27	57,000.00	
Wedo Finance		(104,553.33)	
Deficiency c/d		(47,553.33)	
Plant & Machinery	751,003.00	Uncertain	
County Asset Finance		(287,280.00)	
Deficiency c/d		(287,280.00)	
Furniture & Equipment		40,000.00	
Paul Diggins		(22,500.00)	
		17,500.00	17,500.00
Assets subject to floating charge:			
Uncharged assets:			
Estimated total assets available for preferential creditors			17,500.00

Signature  Date 27-04-2022

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		17,500.00
Liabilities		
Preferential Creditors:-		
Employees re Arrears/Hol Pay (Count=42)	40,044.38	40,044.38
Estimated deficiency/surplus as regards preferential creditors		(22,544.38)
2nd Preferential Creditors:-		
HMRC (PAYE)	10,000.00	
HMRC (VAT)	8,000.00	18,000.00
Estimated deficiency/surplus as regards 2nd preferential creditors		(40,544.38)
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		(40,544.38)
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		(40,544.38)
Debts secured by floating charges post 14 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		(40,544.38)
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		(40,544.38)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d	334,833.33	
Trade Creditors	113,993.37	
Employees(Count=42)	322,236.32	771,063.02
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(811,607.40)
Estimated deficiency/surplus as regards creditors		(811,607.40)
Issued and called up capital		
Ordinary Shareholders	3.00	3.00
Estimated total deficiency/surplus as regards members		(811,610.40)

Signature  Date 27-04-2022


Begbies Traynor (Central) LLP
Adaptable Consultancy Limited
Company Registered Number: 12665211
B - Company Creditors

Key	Name	Address	£
CA00	Euler Hermes	1 Canada Square, London, E14 5DX	10,824.00
CC00	CP Plus Limited	10 Flask Walk, London, NW3 1HE	100.00
CC01	County Asset Finance Ltd	11 Central Park, Leicester Road, Lutterworth, LE17 4PN	287,280.00
CD00	DVLA	C/O Advantis, Minton Hollins Building, Shelton Old Road, Stoke-on-Trent, Staffordshire, ST4 7RY	80.00
CD01	Digraph Transport Supplies Ltd	C/O Goodwins Credit Management Ltd, Suite 106-8 Navigation House, Port of Tyne, South Shields, NE34 0AB	5,022.38
CD02	Paul Diggins	C/O 8th Floor, One Temple Row, Birmingham, B2 5LG	22,500.00
CF00	Ford & Slater Corby	C/O Birketts LLP, Providence House, 141-145 Princes Street, Ipswich, Suffolk, IP1 1QJ	2,566.16
CG00	Goldstar Transport Ltd	Parker Avenue, Felixstowe, Suffolk, IP11 4HF	4,471.00
CH00	HM Revenue & Customs	Debt Management – EIS NCL, HM Revenue and Customs, BX9 1SR	18,000.00
CH01	Hamilton Accountants and Business Advisors	Meriden House, 6 Great Cornbow, Halesowen, B63 3AB	8,000.00
CP00	P & F Safepac Company Limited	Safepac House, Field Road, Mildenhall, Suffolk, IP28 7AP	37,882.80
CS00	Switch International Trailers (UK) Limited	The Freight Terminal, Mylen Road, Andover, Hampshire, SP10 3HE	39,917.33
CS01	Systems Integration	Ragsdale House, Burton Road, Woodville, Derbyshire, DE11 7JG	5,129.70
CW00	WeDo Finance Ltd	Unit 6 Hollinwood Business Centre, Albert Street, Oldham, OL8 3QL	104,553.33
14 Entries Totalling			546,326.70

Signature  27-04-2022

Begbies Traynor (Central) LLP
Adaptable Consultancy Limited
Company Registered Number: 12665211
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	Mark Andrews	C/O 8th Floor, One Temple Row, Birmingham, B2 5LG	Ordinary	1.00	3	1.00	3.00
1 Ordinary Entries Totalling					3		

Signature  27-04-2022

DIRECTORS' STATEMENT OF AFFAIRS

Notes to the director's Statement of Affairs.

1. The book debts are subject to a factoring/invoice discounting agreement with WeDo Finance Ltd.
2. There are a number of tractor units and trailers which are subject to a finance agreement with County Asset Finance Ltd. Agents, MGR Appraisals have been instructed to assist in obtaining the finance documentation in order to verify who the finance agreements are in the name of and whether any potential equity exists. To date, this has not been able to be established in full and therefore the estimated to realise value is uncertain.
3. The furniture & equipment, has been professionally valued by Messrs MGR Appraisals on 28 February 2022 on both an in-situ and ex-situ basis. The in-situ valuation attributed to the assets totals £84,000 with the ex-situ valuation totalling £20,700.
4. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
5. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "Net property" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The prescribed part is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of either £600,000 or £800,000).

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

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
6. The claim of HM Revenue & Customs represents PAYE and NIC outstanding since January 2022.
 7. The claim of HM Revenue & Customs represents VAT outstanding since March 2022.
 8. The amount owed to employees consists mainly of pay in lieu of notice. However, there is also a contingent liability in respect of an employment tribunal being undertaken by a number of employees. At this stage, it is uncertain what the outcome will be and therefore a figure of £1 has been included in the Statement of Affairs.
 9. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.

10. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

11. Transactions with directors and associates.

Standard practice requires disclosure to the creditors of any transactions (other than in the ordinary course of business) between the Company (including any of its subsidiaries or any other company in which it has or had an interest) and any of its directors or their associates (as defined in Section 435 of the Act) in the period of two years prior to the commencement of administration, and in the period since the commencement of the administration, or proposed to be undertaken.

To date, we are not aware of any transactions which have taken place but as detailed in the main body of the proposals, we will be undertaking review of the Company's affairs prior to appointment.

REMUNERATION AND EXPENSES

Total time spent to 25 May 2022 on this assignment amounts to 75.8 hours at an average composite rate of £354.66 per hour resulting in total time costs to 25 May 2022 of £26,883.50.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Pre-administration work, costs and proposed remuneration with Pre-Administration Time Costs Analysis attached.
- ❑ Summary of work to be undertaken, payments and expenses
- ❑ Table of time spent and charge-out value
- ❑ The Administrators' fees estimate
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights 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.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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 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.

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

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;

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):

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 forecasted cost of insurance for the 3 month period immediately following appointment is £375 inclusive of Insurance Premium Tax. 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. These costs are taken into consideration and included within the forecasted cost of insurance, above.

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.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

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

General Office Overheads.

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

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

BEGBIES TRAYNOR CHARGE-OUT RATES

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

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

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

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

DETAILS OF THE WORK CARRIED OUT PRE ADMINISTRATION, THE ASSOCIATED COSTS AND THE PROPOSED REMUNERATION FOR THE WORK

CASE NAME: Adaptable Consultancy Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Craig Povey AND Charles Turner

DATE OF APPOINTMENT: 20 April 2022

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table

1.3 Overview of work undertaken prior to appointment
Details of the work we have undertaken can be found in the main body of the proposals.

1.4 Complexity of work undertaken prior to appointment
There were a large number of employees which caused high time costs.

1.5 Exceptional responsibilities
None.

1.6 **The proposed Administrators' effectiveness**
If a sale of the Company's assets can be achieved, then it will be considered that the purposed of the administration has been achieved. Negotiations regarding the sale of the assets begun prior to appointment.

1.7 The views of the creditors
Correspondence was had with the secured creditor, WeDo Finance Ltd, who subsequently appointed us as Administrators.

1.8 Approval of fees, and expenses incurred in the period prior to appointment
We are not seeking approval of our fees as these have been paid by a third party. We are however seeking approval to pay our agents costs and legal costs for work undertaken by them prior to appointment.

1.9 Expenses incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group
None.

1.10 Other professionals employed & their costs

MGR Appraisals were instructed to provide a valuation of the Company's assets and assistance with arranging for their sale. Their costs were reviewed prior to instruction and were deemed reasonable. They are experts at valuing company assets of insolvent companies.

Silverback Commercial Law Services Limited were engaged to assist with placing the Company into Administration. They also provided assistance regarding the proposed sale agreement.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING POLICY

- 2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.

Staff Grade		Consultant/ Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration	Administration			0.1	0.1		3.2			0.5	3.90	927.00	237.69
	Case planning	6.3		0.9							7.20	3,825.00	531.25
Assets	Negotiation of sale of business +/- assets	0.5									0.50	272.50	545.00
Creditors	Other creditors						0.4				0.40	96.00	240.00
	Secured - correspondence and meetings												
Other Matters	Meetings and correspondence with directors	2.5									2.50	1,362.50	545.00
	Travel												
Total hours by staff grade		9.3		1.0	0.1		3.6			0.5	14.5		
Total time cost by staff grade £		5,068.50		435.00	38.00		864.00			77.50		6,483.00	
Average hourly rate £		545.00		435.00	380.00		240.00			155.00			447.10
Total fees drawn to date £												0.00	

Adaptable Consultancy Limited

SUMMARY OF WORK TO BE UNDERTAKEN, PAYMENTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees and the payment of certain expenses to make an informed judgement about the reasonableness of our request for approval of the same.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors we have used the headings from our Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the administration.

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 and will be 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 and will be done, why it is necessary and what financial benefit (if any) the work has provided and will provide to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

General case administration incorporates different categories such as cashiering, general case administration (file setup, filing, creditor correspondence) and dealing with sundry issues as and when they arise. Whilst not of direct financial benefit to creditors these activities are required to maintain records and ensure the correct administration of the case.

Compliance with the Insolvency Act, Rules and best practice

Since the date of appointment we have calculated the bond insurance required and issued notices of appointment to relevant stakeholders including creditors and Companies House. We have also advertised the appointment in the gazette. We have also prepared and made available for viewing the administrators' proposals. This work does not benefit the creditors financially, however it is necessary in accordance Insolvency Act, Rules and best practice.

Realisation of assets

We have instructed MGR Appraisals to provide a valuation of the Company's assets and recommendations on their disposal. MGR are assisting us with the sale of the Company's furniture and equipment.

Silverback Commercial Law Services Ltd have been engaged to prepare the assets sale agreement regarding the sale of the Company's furniture and equipment.

The Company's book debts are factored and we have liaised with WeDo Finance Ltd regarding their recoverability.

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

We have sent notification of the appointment to creditors.

We have also spent time preparing and submitting the necessary forms to the RPS in order for them to review employees' claims for redundancy pay, arrears of wages, holiday pay and pay in lieu of notice. The RPS have requested further information from us which we have supplied to them and employee

queries have been dealt with. Due to the large number of employees on this case, this has been a significant time cost incurred.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

Following appointment, we have notified HMRC of our appointment. We have also prepared documents for a decision procedure seeking approval of our remuneration. Payment of certain expenses and discharge from liability.

We have also made enquiries regarding the Company's pension scheme in order to be able to notify the relevant parties of the appointment of administrators. To date, we have not received the required details.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving 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.

Pre Administration costs

Details of the pre appointment work carried out, together with our costs and proposed remuneration are found within the Proposal document and are also detailed separately within this Appendix.

Expenses

Details of all of the expenses incurred since the date of our appointment are as follows:

- Bordereau. – 18.00
- Statutory Advertisement - £103.50

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

Why have subcontractors been used?

To date, no subcontractors have been used.

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

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

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

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners 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 which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

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

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

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

We shall liaise with WeDo Finance regarding their collection of the outstanding book debts. If a surplus arises, this shall be transferred to the Administration estate.

We shall also finalise the sale of the fixed assets.

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

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

In this case we have fixed and floating creditors, preferential creditors, secondary preferential creditors and unsecured creditors.

We shall liaise with the secured creditor regarding their position and will provide them with updates regarding the process of the case.

Time will be spent dealing with all creditor queries as and when required.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

How much will this further work cost?

Details of the further work are contained within our fees estimate enclosed in Appendix 3 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, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at appendix 3.

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

We estimate that the cost of administering the case will be in the region of £44,939.50, and consequently we are seeking 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 £15,000. Costs incurred over and above the level approved 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.

SIP9 Adaptable Consultancy Limited - Administration - 60AD240.ADM : Time Costs Analysis From 20/04/2022 To 25/05/2022

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	8.6					0.1				8.7	4,711.00	541.49
	Administration			9.7	0.1		10.1	0.1		0.5	20.5	6,778.50	330.66
	Total for General Case Administration and Planning:	8.6		9.7	0.1		10.2	0.1		0.5	29.2	11,489.50	393.48
Compliance with the Insolvency Act, Rules and best practice	Appointment	1.3					3.5				4.8	1,548.50	322.60
	Banking and Bonding						0.2			0.2	0.4	79.00	197.50
	Case Closure												0.00
	Statutory reporting and statement of affairs			8.1			11.4				19.5	6,259.50	321.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.3		8.1			15.1			0.2	24.7	7,887.00	319.31
Investigations	CDDA and investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection			0.6			0.4				1.0	357.00	357.00
	Property, business and asset sales	2.2		1.9							4.1	2,025.50	494.02
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:	2.2		2.5			0.4				5.1	2,382.50	467.16
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others	1.6		3.1			11.1				15.8	4,884.50	309.15
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.6		3.1			11.1				15.8	4,884.50	309.15
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors						0.4				0.4	96.00	240.00
	Meetings												0.00
	Other						0.6				0.6	144.00	240.00
	Tax												0.00
	Litigation												0.00
	Total for Other matters:						1.0				1.0	240.00	240.00
	Total hours by staff grade:	13.7		23.4	0.1		37.8	0.1		0.7	75.8		
	Total time cost by staff grade £:	7,466.50		10,179.00	38.00		9,072.00	19.50		108.50		26,883.50	
	Average hourly rate £:	545.00	0.00	435.00	380.00	0.00	240.00	195.00	0.00	155.00			354.66
	Total fees drawn to date £:											0.00	

ADAPTABLE CONSULTANCY LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	39.10	12,124.50	310.09
Compliance with the Insolvency Act, Rules and best practice	38.00	11,560.00	304.21
Investigations	18.00	6,210.00	345.00
Realisation of assets	9.00	3,660.00	406.67
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	19.00	6,145.00	323.42
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	17.00	5,240.00	308.24
Total hours	140.10		
Total time costs		44,939.50	
Overall average hourly rate £			320.77

What is the anticipated payment for administering the case?

Although the fees estimate indicates that the total time costs for this matter will be £44,939.50, we are aware that there are limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of £15,000. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation in the letter accompanying this fee estimate

Dated: 30 May 2022

Arriving at our fee estimates

The cost of the process at this early stage is uncertain, but the fee estimate that I have produced provide a general overview of the likely costs

The estimates are produced by looking at historical cases of a similar nature, (asset value, number of creditors, case type and staffing levels). The estimates are then made case specific by considering the depth of investigations needed, whether significant time will be spent on adjudicating claims etc.

As the case progresses it may become apparent that the initial fees estimate will be exceeded, for example if any unforeseen circumstances arise which result in additional and unexpected costs being incurred. If this scenario occurs, we will seek creditor approval of a further fees estimate, providing full details of the circumstances at the time.

Summary of the work to be undertaken in the Administration

The following work category descriptions are provided in order for creditors to understand the statutory and general duties involved during the course of the administration.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

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

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners 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 which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

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

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our initial investigations. An initial investigation is carried out in all cases to determine whether there are potential recovery actions for the benefit of creditors. Such investigations include analysis of the Company's bank statements, reviewing information provided by third parties and an analysis of the Company's management accounting records/systems. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

Where appropriate creditors or other parties may be asked to come forward with information.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters once we are appointed.

As you can see above, the costs of my initial investigations have been reflected in my proposed fixed fee. However, should those initial investigations reveal potential undisclosed assets, claims against directors and/or any other parties or any other matters which require further detailed investigation work in order to seek to recover funds for the benefit of creditors, I will need to propose an increase in my remuneration to cover the work necessary to pursue those investigations and relevant claims. I am unable to seek approval to fix my remuneration for such work unless and until the nature of any such claims has been identified and the work involved can be quantified. This also applies in the event of tax and pensions matters arising, not originally anticipated and included in proposed fee estimates. I will therefore circulate to creditors as necessary, if such claims or further works are identified, to seek a further decision from creditors to fix my fees for this additional work. Details of the nature of the potential claims identified and any further work to be undertaken will be included in the report accompanying the decision request, (if such decision will not jeopardise the investigations). Such recovery actions would be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

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

Time will be spent dealing with creditor queries as and when required. This can include queries by telephone, email or within letters received in the post.

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. However, all claims received will be noted and registered. The administrator is unable to distribute a dividend to the unsecured creditors without permission of the court, other than of the prescribed part. Should there be funds available to make a distribution to the unsecured creditors, it is usual practice for a succeeding liquidator to deal with the claims of the unsecured creditors.

Where the Company has employees who have claims in the Administration, it will be the role of appointed Administrator to liaise with the Redundancy Payments Service ("RPS") and collate employment records in order to

submit information concerning sums potentially due in respect of outstanding salaries, holiday pay, pay in lieu of notice and redundancy.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

In this case there are secured creditors, preferential creditors, secondary preferential creditors and unsecured creditors.

Time will be spent dealing with all creditor queries as and when required.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

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.

We have instructed MGR Appraisals to provide a valuation of the Company's assets and assist with the disposal of the Company's assets. Silverback Commercial Law Services Ltd have been engaged to prepare the asset sale agreement.

During the case we shall continue to liaise with WeDo Finance regarding the collectability of the Company's factored book debts. Any surplus received by WeDo above the amount owed to them will be paid into the Administration estate.

Distribution of funds

In cases where sufficient realisations are made to enable a dividend to the secured and preferential creditors, I must review the claims and supporting documents and formally adjudicate on the claims. This may involve seeking additional supporting documents where claims require further review.

This will only occur should sufficient proceeds remain in the Administrators' estate after the costs of the Administration have been met in full.

As mentioned above, any distribution to the unsecured creditors, (unless by way of prescribed part), will be paid by a succeeding liquidator.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner may be required to carry out additional work which doesn't necessarily fall under any of the other categories above. This may include:

Seeking additional decisions from creditors on various proposed resolutions, including where relevant an increase to our original remuneration estimate, and whether a creditors committee is formed.

We may also be required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case

There are certain other matters which we may have to deal with which are not evident or foreseeable at the outset of the Administration. I am unable to seek approval to fix remuneration for any work unless and until the nature of any such work has been identified and the work involved can be quantified. If this scenario should occur, I will revert to creditors, providing full details of the circumstances at the time, to seek creditor approval of a further fees estimate.

Instances and explanations of the such work that might fall under this category are provided on our website at <http://www.begbies-traynorgroup.com/work-details>.

Once again, there may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Dated: 30 May 2022

ADAPTABLE CONSULTANCY LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	103.50
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	18
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	375
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	50
5.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	5,000
6.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	Uncertain
7.	Travel	Travel to and from company premises	45p per mile
8.	Postage	Mail outs	100

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.