



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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 9	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2
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**Presenter information**

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

Contact name **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 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

Craig Povey and Charles Turner were appointed joint administrators on 20 April 2022

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)

Progress report of the joint administrators

Period: 20 April 2022 to 19 October 2022

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Adaptable Consultancy Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 20 April 2022
"the administrators" "we" "our" and "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 Insolvency Act 1986

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

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Craig Povey, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG and Charles Turner, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG
Date of administrators' appointment:	20 April 2022
Date of administrators' 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, 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)
Extensions of the administration period	There have been no previous 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 20 April 2022 to 19 October 2022.

Receipts

Contribution to Costs

The sum of £30,000 has been received from WeDo Finance Ltd as a contribution towards the costs of the Administration.

Payments

Statutory Advertising

The sum of £207 (plus VAT) has been paid to Courts Advertising Limited for placing notices in the London Gazette.

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 in the period of the report only.

General case administration and planning

General case administration incorporates different categories such as cashiering, general case administration (filing, creditor correspondence) and dealing with sundry issues as and when they arise. Furthermore, this time cost comprises general maintenance of case files, undertaking case reviews (incorporating compliance checks) and dealing with general queries. Whilst the time cost is not necessarily of direct benefit to creditors it is necessary to ensure the case is progressed.

Compliance with the Insolvency Act, Rules and best practice

This includes preparing and filing the statutory appointment documentation, calculating the statutory bond insurance and undertaking regular reviews and filing other documentation at Companies House. Time has been incurred preparing and drafting the various statutory report and notifications. These items are not necessarily financially beneficial to any class of creditor but are requirements of the Statutory Regulations and the Insolvency Act and Rules.

Investigations

You may be aware that an administrator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, an administrator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business, Energy and Industrial Strategy. We have provided information the Insolvency Service and we have submitted the required reports and returns. Any other enquiries that are ongoing must remain confidential at this stage.

Realisation of assets

At appointment, it was expected that the Company's fixed assets would be sold to a third party as a pre packaged sale. However, the principal asset which was to be sold was some racking. The racking had been subject to a finance agreement between Bute finance and DB Warehousing (Corby) Ltd ("DBW"). It was initially believed that the finance agreement had been transferred to Adaptable Consultancy Ltd following the compulsory liquidation of DBW. Also, it was understood that the director of DBW had paid the settlement figure on the finance agreement personally and therefore claimed part ownership of the racking. As such, the sales proceeds were to be split between the administration estate and the director of DBW. However, a number of issues have arisen with regard to the purported ownership of the racking. We continue to liaise with our Solicitors regarding this and the matter remains ongoing at present.

An offer for the office furniture, equipment and stock (not including the racking) was received from a third party. Following advice from our appointed agents MGR Appraisals, it was recommended that this offer be accepted. The sum of £1,000 plus VAT was paid and is currently being held by MGR. This will be forwarded to the Administration estate in due course.

The Company's book debts are subject to a factoring arrangement with WeDo Finance Limited. We have liaised with WeDo and our appointed solicitors regarding the collection of debts. Based on current estimates, it is not anticipated that a surplus will become available to the Administration estate.

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

We have liaised with the secured creditor, WeDo Finance Limited regarding the progress of the case.

We have also notified all other creditors of appointment and dealt with any creditor queries as and when they have arisen.

Following appointment, we submitted the RP14 and RP14a forms to the Redundancy Payments Service ("RPS") in order that they could review the employees' claims for redundancy, arrears of pay, holiday pay and pay in lieu of notice. There were a number of queries from the RPS in relation to the information which we responded to. It also transpired that some of the information we were provided by the Company was inaccurate and we therefore received a number of queries from employees. We have corresponded with the director and the RPS regarding these matters and resubmitted information to the RPS where necessary. There are a number of employees who claim to be owed wages by the company they worked for immediately prior to Adaptable Consultancy. We have been attempting to establish if a TUPE transfer occurred to determine if those wages are owed by Adaptable Consultancy.

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

We have notified HMRC of appointment. We have also attempted to establish if any pension scheme existed for the Company and if there are any pension contribution arrears which require to be claimed from the RPS.

5. 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, however this figure may be inaccurate depending upon the result of our enquiries into whether or not a TUPE transfer occurred, as detailed above.

Secondary preferential creditors

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

The secondary preferential claim of HM Revenue & Customs 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 creditors 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 as well as the outcome of our ongoing investigations into asset ownership.

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

6. PRE-ADMINISTRATION COSTS

The pre-administration costs that were unpaid at the date of our appointment were detailed in our statement of proposals for achieving the purpose of administration. The following steps have been taken during the period of this report to seek approval of these costs:

- Sought a decision of the secured and preferential creditors
- The preferential creditors approved the unpaid pre-administration costs
- We are awaiting confirmation of the approval from the secured creditor

7. REMUNERATION & EXPENSES

As per the pre-administration costs, the basis of our remuneration has not been fixed as we are waiting for a response from one of the secured creditors. However, for information purposes, we have provided details of our time costs below.

Our time costs for the period from 20 April 2022 to 19 October 2022 amount to £53,889.50 which represents 156.9 hours at an average rate of £343.46 per hour.

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

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

To 19 October 2022, we have not drawn any fees on account of our remuneration, against total time costs of £53,889.50 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.

The following steps have been taken during the period of this report to fix the basis of our remuneration:

- Sought a decision of the secured and preferential creditors
- Received approval from the preferential creditors
- Awaiting a response from the secured creditor

Category 1 Expenses

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

Category 2 Expenses

Details of the Category 2 expenses that have been incurred during the period of this report in the total sum of £375 are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	375.00
TOTAL	375.00

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

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £5,646.50. Unfortunately, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded are as follows:

- ☐ Higher legal costs than originally anticipated due to additional matters requiring legal advice.
- ☐ Higher advertisement costs than anticipated due to placing an additional advert in the London Gazette
- ☐ Higher postage costs than originally anticipated
- ☐ Agent's costs which were not previously anticipated

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

As detailed in the directors' statement of affairs, the assets of the Company consisted of book debts, plant & machinery and furniture & equipment. At this stage in the administration, we have the following assets left to realise:

- ☐ Book debts
- ☐ Furniture & Equipment

We shall continue to liaise with WeDo regarding the collection of the outstanding factored book debts. We shall also liaise with our solicitors regarding the ownership of the racking referred to earlier in this report.

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

General case administration incorporates different categories such as cashiering, 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

It will be necessary to prepare further progress reports, a final report and to ensure all other matters in relation to statutory compliance are completed. It may become appropriate to extend the administration via the consent of creditors or via an application to Court. An extension is sometime necessary to enable the administration to be concluded; particularly when retentions are still outstanding. Whilst not of direct financial benefit to creditors, these activities are necessary in accordance with Insolvency legislation.

Investigations

We have submitted our conduct report to the Insolvency Service and shall continue to liaise with them regarding any further information they require. We shall also continue to make other investigative enquiries albeit we are unable to provide extensive details as doing so may prejudice the investigations.

Realisation of assets

As detailed above, we shall continue to liaise with WeDo regarding the collection of the factored book debts. We shall also continue to investigate the ownership of the racking referred to earlier in this report.

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

We shall continue to respond to any creditor queries as and when they arise.

We shall also continue to liaise with the former employees and the RPS regarding any amendments to employee information which are required.

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

We shall submit tax returns as and when they are due. We shall also continue to make enquiries as to whether a pension scheme exists and whether or not there are any outstanding contributions which should be claimed from the RPS.

How much will this further work cost?

As can be seen above, there are additional elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The cost of the additional work is estimated to be about £25,000 which is in addition to the original remuneration we estimated. At this time, realisations are not expected to exceed our original estimate and we are therefore not going to seek an increase to our remuneration. Should realisations exceed our original fee estimate in the future, we will review this matter and consider if it is appropriate to seek further approval at that time.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 3.

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

We estimated that the cost of administering the case would be in the region of £44,939.50, and subsequently sought approval 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 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.

10. OTHER RELEVANT INFORMATION

Proposed exit route 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 cannot 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.

Use of personal information

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

11. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

12. CONCLUSION

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



Craig Povey
Joint Administrator

Dated: 8 November 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 20 April 2022 to 19 October 2022

Adaptable Consultancy Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 19/10/2022

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
	ASSET REALISATIONS		
	Contribution to Costs	30,000.00	30,000.00
	COST OF REALISATIONS		
	Statutory Advertising	207.00	(207.00)
	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)			29,793.00
	REPRESENTED BY		
	Vat Receivable		41.40
	Floating Current Account		29,751.60
			29,793.00

Craig Povey
Joint Administrator

COSTS AND EXPENSES

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

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.

SIP9 Adaptable Consultancy Limited - Administration - 60AD240.ADM : Time Costs Analysis From 20/04/2022 To 19/10/2022

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	15.5		0.7			1.6				17.8	9,136.00	513.25
	Administration	0.1		13.1	0.1		19.0	0.2		1.3	33.8	10,591.50	313.36
	Total for General Case Administration and Planning:	15.6		13.8	0.1		20.6	0.2		1.3	51.6	19,727.50	382.32
Compliance with the Insolvency Act, Rules and best practice	Appointment	1.3					3.5				4.8	1,548.50	322.60
	Banking and Bonding	0.1					0.2			1.0	1.3	257.50	198.08
	Case Closure												0.00
	Statutory reporting and statement of affairs			10.9			15.1				26.0	8,365.50	321.75
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.4		10.9			18.8			1.0	32.1	10,171.50	316.87
Investigations	CDDA and investigations	5.3		5.3			9.4				20.0	7,450.00	372.50
	Total for Investigations:	5.3		5.3			9.4				20.0	7,450.00	372.50
Realisation of assets	Debt collection			0.8			0.8				1.6	540.00	337.50
	Property, business and asset sales	3.3		3.2							6.5	3,190.50	490.85
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:	3.3		4.0			0.8				8.1	3,730.50	460.56
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others	2.5		5.7			32.5	0.6			41.3	11,759.00	284.72
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	2.5		5.7			32.5	0.6			41.3	11,759.00	284.72
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors						1.0				1.0	240.00	240.00
	Meetings												0.00
	Other						1.8				1.8	432.00	240.00
	Tax	0.2		0.4			0.4				1.0	379.00	379.00
	Litigation												0.00
	Total for Other matters:	0.2		0.4			3.2				3.8	1,051.00	276.58
	Total hours by staff grade:	28.3		40.1	0.1		85.3	0.8		2.3	156.9		
	Total time cost by staff grade £:	15,423.50		17,443.50	38.00		20,472.00	156.00		356.50		53,889.50	
	Average hourly rate £:	545.00	0.00	435.00	380.00	0.00	240.00	195.00	0.00	155.00			343.46
	Total fees drawn to date £:											0.00	

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				
Statutory Advertising	Courts Advertising Costs	207.00	207.00	Nil
Legal Costs and expenses	Silverback Law	13,160.00	Nil	13,160.00
Expense - Postage	Postworks	133.96	Nil	133.96
	Royal Mail PLC	54.24	Nil	54.24
Expense – Bordereau	AUA Insolvency Risk Services	18.00	Nil	18.00
Agents Costs	MGR Appraisals	500.00	Nil	500.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Insurance Services Ltd	375.00	Nil	375.00

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Legal Costs and expenses	Silverback Law	4,000.00
Postage	Postworks	75.00

REVISED EXPENSES ESTIMATE

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

	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	207
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	18
3.	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
4.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	17,160
5.	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
6.	Agents Costs	The costs for the valuation of company assets, recommendations on the disposal of the assets and the assistance with the disposal of assets.	500
7.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	Uncertain
8.	Travel	Travel to and from company premises	45p per mile
9.	Postage	Mail outs	263.20

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.