

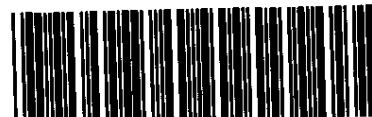
# AM10 (Scot)

## Notice of administrator's progress report



Companies House

TUESDAY



\*S9C6IH1D\*

SCT

25/08/2020

#249

COMPANIES HOUSE

<b>1</b>	<b>Company details</b>		<p>→ Filing in this form Please complete in typescript or in bold black capitals.</p>
Company number	S C 3 7 7 4 1 6		
Company name in full	Houseology Design Group Ltd		
<b>2</b>	<b>Administrator's name</b>		
Full forename(s)	Stuart		
Surname	Robb		
<b>3</b>	<b>Administrator's address</b>		
Building name/number	Leonard Curtis		
Street	4th Floor		
	58 Waterloo Street		
Post town	Glasgow		
County/Region			
Postcode	G 2 7 D A		
Country			
<b>4</b>	<b>Administrator's name •</b>		
Full forename(s)	Michelle		
Surname	Elliot		
	<p>• Other administrator Use this section to tell us about another administrator.</p>		
<b>5</b>	<b>Administrator's address •</b>		
Building name/number	Leonard Curtis		
Street	4th Floor		
	58 Waterloo Street		
Post town	Glasgow		
County/Region			
Postcode	G 2 7 D A		
Country			
	<p>• Other administrator Use this section to tell us about another administrator.</p>		

# AM10 (Scot)

## Notice of administrator's progress report

### 6 Period of progress report

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

### 7 Progress report

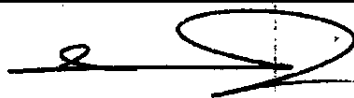
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d 2 d 5

m 0 m 8

y 2 y 0 y 2 y 0

# AM10 (Scot)

## Notice of administrator's progress report



### Presenter information

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

Contact name **Andrew Cochrane**

Company name **Leonard Curtis**

Address **4th Floor**

**58 Waterloo Street**

**Glasgow**

Post town

County/Region

Postcode

**G 2**

**7**

**D**

**A**

Country

DX

Telephone

**0141 212 2060**



### 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,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**HOUSEOLOGY DESIGN GROUP LTD**  
**(IN ADMINISTRATION)**

Registered Number: SC377416  
Court Ref: P65/19  
Court of Session, Edinburgh

**Joint Administrators' first progress report in accordance  
with Rule 3.93 of the Insolvency (Scotland) (Company Voluntary Arrangements and  
Administration) Rules 2018**

**Report Period:**  
**23 January 2020 to 22 July 2020**

**25 August 2020**

**Stuart Robb and Michelle Elliot - Joint Administrators**  
**Leonard Curtis Recovery Ltd**  
**4th Floor, 58 Waterloo Street, Glasgow, G2 7DA**  
**Tel: 0141 212 2060**  
**General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)**  
**Ref: G/44/ACO/H016G/1010**

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- B Summary of Joint Administrators' Receipts and Payments Account for the period from 23 January 2020 to 22 July 2020
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**STRICTLY PRIVATE AND CONFIDENTIAL  
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES  
THE COURT  
ALL CREDITORS  
ALL MEMBERS**

**1 INTRODUCTION**

- 1.1 This report has been produced in accordance with Rule 3.93 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules") to provide creditors with an update on the progress of the Administration of Houseology Design Group Ltd ("the Company") for the period from 23 January 2020 to 22 July 2020. This is the Joint Administrators' first progress report to creditors.

**2 STATUTORY INFORMATION**

- 2.1 Stuart Robb and Michelle Elliot were appointed Joint Administrators of the Company in the jurisdiction of the Court of Session, Edinburgh, with number P65/19 on 23 January 2020. The Administration appointment was made by the Directors of the Company. The Joint Administrators can confirm that there has been no change in office-holder since the date of Administration.
- 2.2 The Administration is being handled by the Glasgow office of Leonard Curtis, which is situated at 4th Floor, 58 Waterloo Street, Glasgow, G2 7DA.
- 2.3 The former principal trading address of the Company was 28 Speirs Wharf, Glasgow, G4 9TG and the business traded under its registered name.
- 2.4 The Registered Office address of the Company at the date of the appointment of the Joint Administrators was 28 Speirs Wharf, Glasgow, G2 7DA. Following the Joint Administrators' appointment, this was changed to 4th Floor, 58 Waterloo Street, Glasgow, G2 7DA. The registered number of the Company is SC377416.
- 2.5 For the purposes of Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

**3 JOINT ADMINISTRATORS' PROPOSALS**

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved Proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were deemed approved by creditors on 10 March 2020.
- 3.3 There have been no major amendments to, or deviations from the Proposals during the course of the Administration, to date.
- 3.4 The objective of the Administration is achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration).
- 3.5 We've considered that the objective has already been achieved as, following the sale of the Company's assets, the Joint Administrators have achieved a better result for the Company's creditors as a whole than would be likely if the Company be wound-up (without first being in Administration).

**4 PROGRESS OF THE ADMINISTRATION**

- 4.1 Attached at Appendix B is the Joint Administrators' Receipts and Payments account for the period from 23 January 2020 to 22 July 2020.

**Sale of Business**

- 4.2 Following a review of the Company's financial position and based on a number of factors, including the level of possible retention of title ("ROT") claims and lack of available funding, it was considered inappropriate for the Joint Administrators to continue to trade the business.

- 4.3 Immediately upon our appointment, we attended the Company's trading premises at Speirs Wharf, Glasgow to advise employees of the Administration appointment. Staff were briefed with regards to the Administration and that the Company could no longer continue to trade. 22 members of staff were made redundant with immediate effect and our staff have been working with the relevant Government departments to ensure that the employee claims are progressed as efficiently as possible. Two members of staff were retained for a short period to assist the Joint Administrators with the orderly wind down of the Company.

- 4.4 We marketed what remained of the business infrastructure for sale and, accordingly, a break up strategy was adopted as outlined below.

**Stock – Retention of Title**

- 4.5 As noted above, two employees were retained by the Joint Administrators to assist with the significant volume of ROT claims; prepare the stock lists for suppliers to identify their stock and, if approved, make arrangement for the uplift of their goods.

- 4.6 At the date of the Joint Administrators' appointment, the Company held £68,762 of stock, at cost, within third party premises located in Oxford. Stock suppliers were sent notification of the Joint Administrators' appointment forthwith, together with a request to submit any claims for ROT.

- 4.7 Of the Company's 33 suppliers, our staff engaged with 14 suppliers regarding their ROT claims. Time was spent reviewing their terms and conditions and facilitating an inspection of their stock and subsequent removal of their stock from third party premises.

- 4.8 Once we had finalised the ROT stock position, and determined the level of unencumbered stock, it became apparent that after taking into consideration monies due to the landlord, who held a lien over stock for unpaid rent and costs, and transportation and agents costs to secure the stock and prepare it for sale, the Joint Administrators and their agents, GMG Asset Valuation Ltd ("GMG"), concluded that the stock held no realisable value.

**Stock - Unencumbered**

- 4.9 The Company had also retained stock within a third party storage unit within Glasgow, which mainly consisted of faulty goods that were due to be sold at auction.

- 4.10 The Joint Administrators instructed GMG to prepare a stock list which was circulated to all known interested parties. Several offers were received for all, or some, of the stock. Following a short period of discussions, GMG have accepted an offer totalling £15,000, plus VAT, from an unconnected party. The offer was for the purchase of all stock held, with no conditions pertaining to future ROT claims.

**Intellectual Property**

- 4.11 The Joint Administrators instructed Hilco Streambank ("Hilco") to assess and market the Company's intellectual property, including the Houseology website.

- 4.12 A closing date for offers was set for 13 February 2020 and I am pleased to report that an offer of £193,911 was accepted from Moot Group Ltd, and the funds have been received, in full, following completion of the sale.

**Bank Account**

- 4.13 The Company operated a bank account with HSBC Bank Plc ("the Bank") and immediately upon appointment, we wrote to the Bank to take control of the funds. The Bank remitted funds in the sum of £101,409 to the Administration bank account.

## HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION

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### **Business Interruption / Material Damage Claim**

- 4.14 The Company's ability to trade was significantly impacted in October 2019 due to the severe flooding at the Company's leasehold storage facility in Derbyshire, with access to the premises being cut off following the bridge into the area being swept away by severe floods.
- 4.15 Prior to our appointment, the Company had submitted an insurance claim through its brokers for damages, i.e. loss of stock and business interruption.
- 4.16 An initial payment of £79,750 was paid into the Company's pre-appointment bank account by the insurer, which was in respect of an initial settlement towards the cost of the damaged stock. The Joint Administrators thereafter were liaising with the broker regarding a settlement of the outstanding claims.
- 4.17 A settlement fee in the amount of £55,372 was accepted by the Joint Administrators of which £41,425 relates to the business-interruption claim, and a final payment of £13,947 was paid in settlement for the loss of stock.
- 4.18 In addition, the Company's pre-appointment solicitors were holding £20,482 of Company funds in their client account, which would have otherwise been used to gain access to enable the insurance company's agents to assess the damaged stock. The Joint Administrators therefore accepted this element of the claim and reverted to the warehouse owner that they may retain the stock, which they were exercising lien over in payment of the warehouse liabilities. These funds have since been received and assigned to the business interruption claim, as shown on the Joint Administrators' Receipts and Payments account.

### **Bureau.Workspace Ltd ("Bureau")**

- 4.19 In conjunction with the sale of the Company's intellectual property, several parties had expressed an interest in acquiring the Company's shareholding in Bureau.
- 4.20 Despite the poor financial position of Bureau, an offer was received from two of Bureau's directors, Jennifer and Andrew Russell, for a total consideration of £25,000. A considerable amount of time was spent considering the position of the creditors, including the secured creditors' position, and ownership of Bureau's intellectual property. We had also instructed a third-party agent to provide an assessment of the market value of Bureau and saleability of the shares, and sought Hilco's opinion on the value of Bureau's IP.

### **PayPal**

- 4.21 The Company also utilised PayPal for its on-line purchases. Funds totalling £10k have been received for the benefit of the Administration.

### **Rates Refund**

- 4.22 A rates refund totalling £2,490 was received from Glasgow City Council pertaining to the Company's trading premises, in respect of a credit balance held on the account.

### **IT Equipment**

- 4.23 GMG were instructed to secure and market the Company's IT equipment for sale. I'm pleased to report that GMG secured a total price of £2,500, plus VAT.
- 4.24 We had retained two MacBook's to assist in the transfer of the Company's intellectual property. On conclusion of the sale, the MacBook's were wiped and sold for £500, plus VAT. The net proceeds received from the sale were received after reporting period of this report, and will be shown through subsequent receipts and payments accounts.

## **5 ASSETS STILL TO BE REALISED**

- 5.1 Assets realisations have now concluded, and we are now finalising the costs of the Administration to facilitate the distribution of funds in hand to the appropriate body creditors.



**6 INVESTIGATIONS**

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 That assessment did not identify any possible further realisations. In addition, the Joint Administrators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.
- 6.3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

**7 JOINT ADMINISTRATORS' REMUNERATION**

- 7.1 On 26 June 2020, the secured and preferential creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration.
- 7.2 The time charged by the Joint Administrators for the period of this report amounts to £153,437.50. This represents 403.1 hours at an average rate of £380.64 per hour. A summary of time costs incurred in the period is set out at Appendix C, together with a detailed description of work undertaken in the period, attributable to each category of time costs, and an explanation of why it was necessary for that work to be performed.
- 7.3 The secured and preferential creditors also agreed on 26 June 2020 that the Joint Administrators' remuneration for the period from 23 January 2020 to 31 May 2020, in the sum of £100,000, plus VAT, be approved for payment as an expense of the Administration, and has been drawn in full to date.
- 7.4 Under Rule 3.100 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 25% in value of the unsecured creditors (including that creditor) or the permission of the Court, may apply to the Court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 7.5 The application must be made no later than eight weeks after the end of the accounting period in question.
- 7.6 Unless the Court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.
- 7.7 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from: <https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration>.
- 7.8 If you would prefer this to be sent to you in hard copy please contact Andrew Cochrane of this office on 0141 212 2060.

**8 JOINT ADMINISTRATORS' EXPENSES AND DISBURSEMENTS**

8.1 Expenses are separated into the following categories:

- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs).

These are known as "Category 2 disbursements" and are subject to the approval of the creditors.

**Joint Administrators Disbursements**

8.2 The following Category 1 disbursements have been incurred on the case since appointment:

**Category 1 disbursements**

Charged by	Services provided	Total amount pd by LC £	Amount recovered from case £	Amount still to be recovered from case £
EPE Reynell	Statutory advertising	79.00	79.00	0.00
Royal Mail	Mail Redirection	211.00	211.00	0.00
Employee	Travel expenses	137.83	137.83	0.00
AUA Insolvency Risk Service	Bordereau fee	550.00	550.00	0.00
Registers of Scotland	Land Register search	15.00	15.00	0.00
Peistar Ltd	Document hosting	44.80	44.80	0.00
Peistar Ltd	Creditor Web	25.20	25.20	0.00
JLT Specialty Ltd	Insurance costs	392.00	392.00	0.00

**Category 2 disbursements**

There have been no category 2 disbursements incurred in this case.

## HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION

### Expenses of the Administration

- 8.3 The Joint Administrators have also incurred expenses during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from the case funds:

Nature of expenses	By whom provided	Amount incurred this period £	Total amount incurred to date £	Amount paid £	Amount unpaid £
Call centre fees	Intalekt Holdings Ltd	1,323.00	1,323.00	1,323.00	0.00
Agents' fees	Hilco Appraisal	30,386.31	30,386.31	30,386.31	0.00
Agents' fees	GMG Asset Valuation	3,330.00	3,330.00	3,330.00	0.00
Agents' fees	CAPA	622.42	622.42	622.42	0.00
Solicitors' fees	Shepherd & Wedderburn LLP	50,173.86	50,173.86	50,173.86	0.00
Professional Fees	IT assistance re sale of IP	2,070.92	2,070.92	2,070.92	0.00
Professional Fees	CMGR Corporate Finance LLP	1,000.00	1,000.00	1,000.00	0.00
Rent	@SIPP Pension Trust	6,324.17	6,324.17	6,324.17	0.00
Storage Costs	Iron Mountain (UK)	5,518.05	5,518.05	5,518.05	0.00
<b>TOTAL</b>		<b>100,748.73</b>	<b>100,748.73</b>	<b>100,748.73</b>	<b>0.00</b>

- 8.4 Attached at Appendix D is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.

**9 ESTIMATED OUTCOME FOR CREDITORS**

**Secured Creditors**

- 9.1 The Company had granted a floating charge in favour of William Currie, Salvators Lending Limited, William Dobbie and Sir Terence Leahy, dated 17 October 2018 and registered on 24 October 2018.
- 9.2 The Company had also granted a second floating charge in favour of William Currie dated, 19 November 2018 and registered on 26 November 2018.
- 9.3 We anticipate that the first ranking floating charge holders will receive a distribution under their security, however, the timing of that dividend is not yet known.
- 9.4 We do not anticipate a return to the second ranking floating charge holder.

**Preferential Claims**

- 9.5 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 9.6 We estimated that the amount of preferential claims were approximately £20,671, however, preferential claims received to date, total £18,984.49, and are subject to adjudication.
- 9.7 At present, we anticipate that preferential creditors will receive a dividend of 100p in the £, however, the timing of that dividend is not yet known.

**Prescribed Part**

- 9.8 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Joint Administrators must make a *prescribed part* of the Company's net property available to 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 claims.
- 9.9 Net property is the amount remaining from net floating charge realisations after payment of preferential claims, but before any distribution to the secured floating charge holders. The amount of the fund set aside for unsecured creditors is calculated as 50% of net property up to £10,000, plus, 20% of net property thereafter up to a maximum fund of £800,000.
- 9.10 Based upon the information currently available, it is estimated that there will be a prescribed part fund available in this case. In instances where there will be no dividend to unsecured creditors, as is the case here, the prescribed part fund will be distributed at the appropriate time by the Joint Administrators.

**Unsecured Non-Preferential Claims**

- 9.11 If you have not already done so, please submit details of your claim to my office. A proof of debt form is attached at Appendix E for your ease of use.

**10 MATTERS STILL TO BE DEALT WITH**

- 10.1 Matters still to be dealt with before conclusion of the Administration include the following:
- The formal agreement of creditor claims;
  - A first and final dividend to the preferential creditors;
  - A distribution to the floating charge holders;
  - The distribution of the prescribed part fund; and
  - The unpaid remuneration and expenses will need to be defrayed.

**11 EXTENSIONS TO THE ADMINISTRATION**

- 11.1 The appointment of Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 11.2 In certain circumstances, it may be necessary to extend the Administrators' term of office. In the context of this case, this may be done for a specified period not exceeding twelve months as follows:
- with the consent of each secured creditor of the Company; and
  - a decision of the preferential creditors in a decision procedure.
- 11.3 The appropriate body of creditors will be contacted in due course should an extension be required.

**12 NEXT REPORT**

- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within six weeks month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

**13 DATA PROTECTION**

- 13.1 Finally, when submitting details of your claim in the Administration, you may disclose personal data to the Joint Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications.
- 13.2 The Joint Administrators act as Data Controllers in respect of personal data they obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Administrators' privacy notice, which is attached to this report at Appendix F, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

Yours faithfully  
for and on behalf of  
**HOUSEOLOGY DESIGN GROUP LTD**



**STUART ROBB**  
**JOINT ADMINISTRATOR**

Stuart Robb and Michelle Elliot are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants of Scotland under office holder numbers 19450 and 22750, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS**

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL"). It is further proposed that that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Paragraph 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors, or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Stuart Robb and/or Michelle Elliot be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
9. The Joint Administrators be authorised to distribute funds to the secured or preferential creditors as and when claims are agreed and funds permit.
10. Subject to any order of the court required under Paragraph 65 of Schedule B1 to the Insolvency Act 1986 (as amended), the Joint Administrators be authorised to distribute funds to the unsecured creditors as and when claims are agreed and funds permit.

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM  
23 JANUARY 2020 TO 22 JULY 2020**

Statement Of Affairs	From 23/01/2020 To 22/07/2020
<b>FLOATING CHARGE ASSETS</b>	
	2,489.69
	193,911.22
79,950.27	93,697.10
85,000.00	61,907.44
23,365.36	15,000.00
	2,500.00
	25,000.00
92,227.44	101,779.39
	2.60
	<b>496,287.44</b>
<b>COSTS</b>	
	1,323.00
	137.83
	211.00
	15.00
	100,000.00
	34,338.73
	50,173.86
	79.00
	550.00
	3,070.92
	5,518.05
	44.80
	6,324.17
	392.00
	30.00
	17,035.13
	25.20
	<b>(219,268.69)</b>
<b>PREFERENTIAL CREDITORS</b>	
(20,671.31)	0.00
	<b>0.00</b>
<b>UNSECURED CREDITORS</b>	
(999,739.80)	0.00
	<b>0.00</b>
<b>(739,868.04)</b>	<b>277,018.75</b>
<b>REPRESENTED BY</b>	
	280,814.67
	(3,795.92)
	<b>277,018.75</b>

# HOUSEOLOGY DESIGN GROUP LTD - IN ADMINISTRATION

## APPENDIX C

### SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 23 JANUARY 2020 TO 22 JULY 2020

	Director		Senior Manager		Manager 1		Manager 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	3	157.50	3	133.50	87	3,436.50	-	-	-	-	-	-	93	3,727.50	400.81
Receipts & Payments	26	1,365.00	-	-	39	1,540.50	-	-	19	437.00	10	165.00	94	3,507.50	373.14
Insurance, Bonding & Pensions	13	682.50	-	-	37	1,461.50	-	-	-	-	-	-	50	2,144.00	428.80
Assets	642	33,705.00	-	-	717	28,321.50	17	596.50	34	782.00	-	-	1,410	53,395.00	449.61
Liabilities	214	11,235.00	-	-	636	25,122.00	-	-	760	17,480.00	69	1,138.50	1,679	54,975.50	327.43
Landlords	35	1,837.50	-	-	89	3,515.50	-	-	-	-	-	-	124	5,353.00	431.69
General Administration	31	1,627.50	-	-	206	8,137.00	-	-	45	1,035.00	62	1,023.00	344	11,822.50	343.68
Appointment	12	630.00	-	-	17	671.50	-	-	44	1,012.00	7	115.50	80	2,429.00	303.63
Planning & Strategy	48	2,520.00	-	-	-	-	-	-	-	-	-	-	48	2,520.00	525.00
Investigations	14	735.00	-	-	39	1,540.50	-	-	56	1,288.00	-	-	109	3,563.50	326.93

Total 1,038 54,495.00 3 133.50 1,867 73,746.50 17 596.50 968 22,034.00 148 2,442.00 4,031 153,437.50

Average Hourly Rate (£) 525.00 445.00 395.00 345.00 230.00 165.00 380.64

All Units are 6 minutes



## DESCRIPTION OF TIME SPENT BY CATEGORY

### Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice; and
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements.

### Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

### Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Reviewing and progressing any pre-appointment insurance claims
- Notification and progression of post-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.

## HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION

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### Assets

- Agreeing strategy for realisation of Company assets;
- Instruction of and liaising with agents to market the Company's intellectual property for sale;
- Instruction of and liaising with agents to value the Company's tangible assets;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Identification and return of third party assets;
- Identification and dealing with any assets subject to retention of title; and
- The protracted sale process for the shares in Bureau.

### Liabilities

This category of time includes both statutory and non-statutory matters.

#### Statutory

- Processing of claims from the Company's creditors and customers;
- Instruction of and liaising with agents to process employees' redundancy claims through the Redundancy Payment Service;
- Preparation, review and submission of pre-appointment tax and VAT returns; and

#### Non-statutory

- Dealing with enquiries from the Company's creditors; and
- Responding to a significant volume of customer queries.

### Landlords

- Review of current leases in respect of Company premises; and
- Liaising with landlords in respect of premises.

### General Administration

- General planning matters;
- Setting up and maintaining the Administrators' records;
- Dealing with general correspondence and communicating with directors and shareholders.

### Appointment

- Statutory notifications to creditors and other interested parties following the Administrators' appointment;

### Planning and Strategy

- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

### Investigations

Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

## LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

## Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

1 Jan 2014 onwards		Standard	Complex	1 Aug 2019 onwards		Standard	Complex
		£	£			£	£
Director		450.00	562	Director		525	656
Senior Manager		410.00	512	Senior Manager		445	556
Manager 1		365.00	456	Manager 1		395	494
Manager 2		320.00	400	Manager 2		345	431
Administrator 1		260.00	325	Administrator 1		280	350
Administrator 2		230.00	287	Administrator 2		250	313
Administrator 3		210.00	262	Administrator 3		230	288
Administrator 4		150.00	187	Administrator 4		165	206
Support		0.00	0	Support		0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

## Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

## Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

## Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

## HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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IVA	£10 p.a. or £25 for life of case																									
Postage	Cost of posting documents in connection with a case to external recipients	Calculated in accordance with Royal Mail Hybrid Mail rates and dependent on whether the document is sent by first or second class post.																								
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. London Gazette Other	£91.80 - £102.00 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, external room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Storage of office files (6 years)	£30 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

Insolvency (Scotland) (Company Voluntary Arrangement and Administration) Rules 2018  
Rule 3.105

**Proof of Debt – General Form**

**Relevant date: 23 January 2020**

**Please e-mail completed form to: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)**

**Quoting ref: H016G/ACO/PROOF**

**Name of Company in Administration:**

Houseology Design Group Ltd

**Company registered number:**

SC377416

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

## HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION

7. If any part of the debt is claimed as preferential, provide details of the nature and amount of the preferential claim.

8. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

9. Details of any document by reference to which the debt relates

10. Signature of creditor (or person authorised to act on the creditor's behalf)

11. Date of signing:

12. Address of person signing (if different from 2 above)

13. Name in BLOCK LETTERS

14. Position with, or relation to, creditor

### Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. Please e-mail completed form to: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)

Quoting ref: H016G/ACO/PROOF

## LEONARD CURTIS PRIVACY NOTICE

### Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

### Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

### How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

### Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

### How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

### Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

### Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

## **HOUSEOLOGY DESIGN GROUP LTD – IN ADMINISTRATION**

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If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

### **Contacting us**

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: [privacy@leonardcurtis.co.uk](mailto:privacy@leonardcurtis.co.uk).

**Data Controller: LEONARD CURTIS**