

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number 0 6 4 9 1 0 7 7

Company name in full Franklin Investments Limited

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

2 Administrator's name

Full forename(s) Jonathan E

Surname Avery-Gee

3 Administrator's address

Building name/number Greg's Building

Street 1 Booth Street

Post town Manchester

County/Region

Postcode M 2 4 D U

Country

4 Administrator's name ①

Full forename(s) Edward M

Surname Avery-Gee

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

5 Administrator's address ②

Building name/number Greg's Building

Street 1 Booth Street

Post town Manchester

County/Region

Postcode M 2 4 D U

Country

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

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature



Signature date

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y

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AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Stephanie Adams				
Company name	CG&Co				
Address	Greg's Building				
	1 Booth Street				
Post town	Manchester				
County/Region					
Postcode	M	2		4	D U
Country					
DX					
Telephone	0161 358 0210				



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

**Franklin Investments Limited -
In Administration**

15 October 2020

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

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FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

1 Introduction and Background

- 1.1 The Company was incorporated on 1 February 2008 as Taylor Grange Investments Limited. The Company changed its name by Special resolution on 9 February 2017 to Franklin Investments Limited.
- 1.2 Upon incorporation, the Directors appointed were Mr Rakesh Singh Doal and Mr Sukhdev Singh Gill. Mr Sakhdev Singh Gill resigned as a Director on 22 March 2011, leaving Mr Doal as the sole Director and shareholder.
- 1.3 The Company sought initial funding from FC Management Limited ("FC") to assist with the purchase of land on North Side Mary Vale Road, Birmingham, West Midlands, B30 2HP ("the Land"). A charge was created by FC which was registered at Companies House on 5 October 2016.
- 1.4 The Land is currently a disused car park. The Company had been operating the land as a carpark for a neighbouring apartment block. The Company has sought and received planning permission for 52 apartments comprising of 32 x 1 and 20 x 2 bedroomed apartments with associated amenity space and parking facilities
- 1.5 The Company sought additional funding from Rockbridge Lending Limited ("Rockbridge") and Stanley Laufer in November 2019, this was to refinance the debt with FC. A charge was granted to Rockbridge and Stanley Laufer which was registered at Companies House on 28 November 2018. The charge held by FC was satisfied on the same day.
- 1.6 The Company sought further refinance from Hope Capital 2 Limited ("Hope") in February 2020. The Company loaned £2,275,000 on agreed terms of 6 months. To secure the indebtedness of Hope the Company granted a fixed and floating charge over the entire assets of the Company. The charge was created on 12 February 2020 and delivered at Companies House on 14 February 2020. Hope therefore, hold a first ranking fixed and floating charge against the Company. At this time the indebtedness of Rockbridge and Stanley Laufer was repaid, and their charge was noted as satisfied.
- 1.7 As part of the refinancing package with Hope, a deed of subordination was entered into with Taylor Grange Investment Limited ("Taylor Grange") in respect of funds that had been advanced to the Company over the course of trading. The agreement entered into by Taylor resulted in their agreement to not receive payment from the Company until Hope had been repaid in full. In addition to the security granted by the Company, the Director has given a personal guarantee.
- 1.8 Latterly, it is alleged that the Director has been suffering with ill health and has taken a sabbatical from active participation in the Company. Since the Directors ill health, a Mr Samuel

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Ginda has been acting as a Director. Mr Ginda is not noted as a Director at Companies House but has advised in communication that he is a shadow Director.

- 1.9 The Company has not adhered to the repayment terms of the loan with Hope. As a result, Hope served formal demand on the Company on 20 August 2020.
- 1.10 Whilst the Company communicated with Hope to request additional time to source funds from another refinance, no firm details were forthcoming and therefore on the basis that it was considered that the Company was unable to repay the indebtedness, Hope sought the assistance of JMW Solicitors ("JMW") who in turn discussed the situation with this office. In view of the information available Jonathan E Avery-Gee ("JAG") and Edward M Avery-Gee ("EAG") consented to act as Joint Administrators and JMW on the instruction of Hope proceeded to file the Notice of Appointment of Joint Administrators on 1 September 2020 at the High Court of Justice, Business and Property Courts of England and Wales.
- 1.11 The order was granted on the same day of filing under order number CR-2020-003603 and JAG and EAG of CG&Co, Greg's Buildings, Manchester, M2 4DU were appointed as Joint Administrators. The
- 1.12 The Joint Administrators act jointly and severally in this Administration.
- 1.13 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.cg-recovery.com. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.14 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom. This means that the administration will be conducted according to English insolvency legislation and is not governed by the insolvency law of any other European Union Member State.
- 1.15 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 19 October 2020.

2 Administration Strategy and Objective

- 2.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:
 - *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*

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- *Realising property in order to make a distribution to one or more secured or preferential creditors.*

- 2.2 The existing management of the Company has expressed an interest in purchasing the Company as a going concern. At the present time, I am awaiting details in respect of the funding required. Therefore at the present time, there is the possibility that the first objective is achievable.
- 2.3 The second objective is not considered feasible due to the level of funds that is owing to the secured creditor.
- 2.4 In the event that the first objective is not achievable, I will be realising property in order to make a distribution to one or more secured/preferential creditor(s).

Pre-Packaged Sale

- 2.5 There has been no pre-packaged sale of assets.

Consideration of Proposals by Creditors

- 2.6 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
 - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
 - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

- 2.7 In this case, as there has been an expression of interest in purchasing the Company and the possibility that creditors will be paid in full, I am therefore not required to seek a decision from creditors to approve my Proposals unless the requisite number of creditors request such a decision within the prescribed period. In addition, the same provisions of the Insolvency Act apply if only payment is made to the secured/preferential creditor(s). Please see the covering letter which accompanies this Report for further information about this.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.8 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.9 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette and requesting the completion of the statutory documents by the Director and the delivery of the books and records.
- 2.10 Other statutory duties performed are outlined in further detail in the fees estimate which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Trading

- 2.11 The Company is not a trading entity and has therefore not traded following the appointment.

Realisation of assets

Land at the North Side of Mary Vale Road, Birmingham, B30 2HP

- 2.12 There have been no asset realisations to date.
- 2.13 The Land is currently a disused car park. Planning permission has been granted for 52 apartments comprising of 32 x 1 and 20 x 2 bedroomed apartments with associated amenity space and parking facilities.
- 2.14 On appointment, the Joint Administrators instructed an agent to serve an abandonment notice on the site and have since taken possession.
- 2.15 The Joint Administrators have sought the advice of three separate agents to give marketing appraisals. Two agents are local and one regional. In addition to the services provided by the agent to give a desk top appraisal.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 2.16 There have been several parties that have expressed an interest in acquiring the Land and the existing management of the Company has approached this office with a view to purchasing back the Company.
- 2.17 It is intended that a deadline will be shortly be given to the existing management to provide proof of funding to purchase the Company. Should the deadline not be met then the Joint Administrators will continue to market the Land for sale.
- 2.18 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.19 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

Secured Creditors

- 2.20 Hope hold a legal charge over the land and a Debenture containing a fixed and floating charge against the entire assets and undertaking of the Company. The charge and Debenture were created on 12 February 2020 and registered at Companies house on 14 February 2020 .The amount outstanding to Hope as at the date of appointment is £2,423,175.00.

Preferential Creditors

- 2.21 There are no known preferential creditors.

Unsecured Creditors

- 2.22 The accounts for the year ended 28 February 2019 show that the company owe £957,158 to Taylor Grange. Mr R Doal is the sole Director and shareholder of Taylor Grange.
- 2.23 Trade and expense creditor details have been provided by the Company.

Investigations

- 2.24 Directors questionnaires have been sent to both Mr Doal and Mr Ginda. I am currently awaiting receipt of the completed questionnaires.
- 2.25 The Joint Administrators have written to the Company's bankers to advise of their appointment and have requested the Company's bank statements. A bank statements review will be undertaken once these are received.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 2.26 At the present time, I am unable to comment on matters relating to investigations into the affairs of the Company as these are not complete. This area of work will be commented on in the six-monthly report.
- 2.27 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvency Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.
- 2.28 My report on the conduct of the Directors of the Company to the Department for Business, Energy and Industrial Strategy under the CDDA 1986 has not yet been submitted. It should be noted that the report is confidential.

Sale of Assets to Connected Parties

- 2.29 There have been no sales to connected parties.

3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments from the date of my appointment to 14 October 2020 is attached at Appendix B.

4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received. I am unable to advise why the Director or Shadow Director have failed to complete and return the document. Should this be received it will be filed separately at Companies House. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 12 October 2020, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.
- 4.2 The value attributed to the site has been shown as uncertain to not prejudice future realisations.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

5 Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 The first objective under the Administration regime is based on the survival of the existing Company through the existing management purchasing back the Company. This will result in the survival of the Company.
- 5.3 If the survival of the existing Company is not achievable then the Administrators will pursue the third objective of realising property in order to make a distribution to the secured creditor and proceed to dissolve the Company.
- 5.4 If, however, having realised the assets of the Company there are sufficient funds to pay a distribution to the unsecured creditors, the Joint Administrators propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (**CVL**) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.5 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.6 The Administrators shall do all such other things and generally exercise all of their 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.
- 5.7 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 5.8 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and disbursements and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.9 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- As a percentage of the value of the assets they have to deal with, or
- By reference to time properly spent by the Administrators and their staff managing the Administration, or
- As a set amount

5.10 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

5.11 In this case, the Administrators are seeking to approve the basis of their remuneration as follows:

- By reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration

5.12 Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

5.13 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Exit Routes

6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.

6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however, I will confirm the position to creditors in a subsequent progress report in due course.

6.3 Based on information currently available, the information on the exit route(s) I believe may be appropriate in this Administration are set out below.

Termination of Administration where creditors paid in full

- 6.4 If the Company is capable of being saved as a going concern and creditors are repaid in full then the Administrators will consider terminating their appointment on the grounds of objective achieved.

Creditors Voluntary Liquidation

- 6.5 Should funds be permitting to pay a dividend to the unsecured creditors other than by virtue of the Prescribed Part, the Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will 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**) to facilitate this distribution. It is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.
- 6.6 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 6.7 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Joint Liquidators of the subsequent CVL.

Compulsory Liquidation

- 6.8 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.

Dissolution

- 6.9 Should the Company have insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured creditor of the Company, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 6.10 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 I would confirm there are no pre-administration costs in this case.

8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. My fees estimate and details of the work we propose to undertake in the Administration can be found at Appendix E and further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by us and our staff since the date of my appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 Administrators may include details of the remuneration they anticipate will be charged and the expenses they anticipate will be incurred if they become the Joint Liquidators in the subsequent CVL. This can be done when seeking approval to the basis of their remuneration as Administrators, or alternatively their fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>. If you would prefer this to be sent to you in hard copy please contact Megan Burr of this office on 01613580210.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 15 October 2020 is attached as Appendix F.
- 9.2 I provide the following commentary in relation to the estimate of the outcome:

Assets

Land at the North Side of Mary Vale Road, Birmingham, B30 2HP

- 9.3 As per the Estimated Financial Position, the value attributed to the Land has not been disclosed and is shown as uncertain, in order not to prejudice future realisations.

Creditors

Secured Creditors

- 9.4 The Company granted a fixed and floating charge to Hope.

Preferential Creditors

- 9.5 There are no known preferential creditors in this matter and no claims of a preferential nature are anticipated.

Unsecured Creditors

- 9.6 There is an amount owing to an associated Company, Taylor Grange.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 9.6 Whilst, the Company granted a floating charge to Hope, as the only asset of the Company is a fixed charge asset there is no requirement for the Administrators to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003, as the calculation is irrelevant.

10 Proposals approval and next report

- 10.1 Under the current provisions of the Insolvency Act, I am not required to seek a decision from the unsecured creditors on the approval of my Proposals, if there is the prospect that the Company will be sold as a going concern or if the only available funds for distribution is to the secured creditor. It is therefore intended that the Proposal will be deemed approved and separate decision procedure by correspondence be sought in respect of discharge and remuneration.
- 10.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
Franklin Investments Limited



E Avery-Ge
Joint Administrator

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Appendix A

Statutory Information

1 Company information

Company name	Franklin Investments Limited
Trading name	None
Registered number	06491077
Registered office address	Greg's Building 1 Booth Street Manchester M2 4DU
Former registered office address	5-6 Greenfield Crescent Edgbaston Birmingham West Midlands B15 3BE
Trading address(es)	None
Court details	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies
Court reference number	CR-2020-003603

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director			
Rakesh Singh Doal	1 February 2008	-	100
Sukhdev Singh Gill	1 February 2008	22 March 2011	0
Shadow Director			
Samuel Ginda	-	-	0
Secretary			
Rakesh Singh Doal	1 February 2008	-	n/a

3 Joint Administrators' Details

Name of Administrators	Jonathan E Avery-Gee	Edward M Avery-Gee
Address	Greg's Building 1 Booth Street Manchester M2 4DU	Greg's Building 1 Booth Street Manchester M2 4DU
Telephone Number	0161 358 0210	0161 358 0210
Administrator's IP Number	1549	12410
Authorising Body	ICAEW	IPA
Date of Appointment	1 September 2020	1 September 2020

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 1 September 2020 to 15 October 2020

**Franklin Investments Limited
(In Administration)**

**Income and Expenditure Account
01 September 2020 to 15 October 2020**

INCOME	Total (£)
	<hr/>
	0.00
	<hr/>
EXPENDITURE	
Agents Fees	585.00
Statutory Advertising	77.00
	<hr/>
	662.00
	<hr/>
Balance	(662.00)
	<hr/>
MADE UP AS FOLLOWS	
Vat Receivable	132.40
Office	(794.40)
	<hr/>
	(662.00)
	<hr/>

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Appendix C

Summary of the Estimated Financial Position of the Company as at 15 October 2020

Insolvency Act 1986

Franklin Investments Limited
Company Registered Number: 06491077

Estimated Financial Position as at 1 September 2020

	Book Value £	Estimated to Realise £	£
ASSETS			
Land at the North Side of Mary Vale Road	989,254.00	Uncertain	
Hope Capital 2 Limited		(2,423,175.00)	
Deficiency c/d		<u>(2,423,175.00)</u>	
			<u>NIL</u>
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			<u>NIL</u>
2nd PREFERENTIAL CREDITORS:-			<u>NIL</u>
			<u>NIL</u>
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			<u>NIL</u>
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			<u>NIL</u>
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			<u>NIL</u>
			<u>NIL</u>
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			<u>NIL</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Deficiency b/d		2,423,175.00	
Trade & Expense Creditors		140,356.22	
Taylor Grange Investments Limited		<u>957,158.00</u>	
			<u>3,520,689.22</u>
Estimated deficiency/surplus as regards non-preferential creditors			
(excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(3,520,689.22)</u>
			<u>(3,520,689.22)</u>
Issued and called up capital			
Ordinary Shareholders		100.00	
			<u>100.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(3,520,789.22)</u></u>

CG&Co
Franklin Investments Limited
Company Registered Number: 06491077
B - Company Creditors

Key	Name	Address	£
CA01	Aspect Ecology Ltd	Aspect Ecology Limited, West Court, Hardwick Business Park, Noral Way, Banbury, Oxfordshire, OX16 2AF	642.00
CA02	Aspect Arboriculture Limited	South Court, Hardwick Business Park, Noral Way, Banbury, Oxfordshire, OX16 2AF	1,020.00
CA03	Aspect Landscape Planning Limited	South Court, Hardwick Business Park, Noral Way, Banbury, Oxfordshire, OX16 2AF	3,900.00
CC00	The Construction Consultants	Ingleby House, 11 Cannon Street, Birmingham, B2 5EN	6,000.00
CH00	Hope Capital 2 Limited	Alaska House, No.1 Atlantic Park, Dunnings Bridge Road, Liverpool, L30 4AB	2,423,175.00
CH01	Haines Watts	5-6 Greenfield Crescent, Edgbaston, Birmingham, B15 3BE	618.00
CJ00	JBR Consulting Ltd	Business Centre Suite 6, Hagley Golf & Country Club, Wassell Grove Lane, Worcestershire, DY9 9JW	7,028.22
CP00	Patrick Parsons Consulting Engineers Limited	40 St Pauls Square, Birmingham, B3 1FQ	2,400.00
CP01	PHD Pinnicar Hayward Design LLP	33A Powell street, Birmingham, B1 3DH	92,160.00
CP02	Planning Portal	Planning Portal Service Desk, Planning Portal, Suite 4C, Spectrum Building, Bond Street, Bristol, BS1 3LG	141.00
CQ00	Quadrant Building Control	Pure Offices, Brooks Drive, Cheadle Royal Business Park, Cheadle, SK8 3TD	2,874.00
CS00	Shoosmiths LLP	The XYZ Building, 2 Hardman Boulevard, Spinningfields, Manchester, M3 3AZ	19,985.00
CS01	Solas Realta Limited	37, 39 Southgate Street, Winchester, SO23 9EH	3,588.00
CT00	Taylor Grange Development Limited	5-6 Greenfield Crescent, Edgbaston, Birmingham, West Midlands, B15 3BE	957,158.00
14 Entries Totalling			3,520,689.22

Signature _____

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Appendix D

Time Analysis for the Period from 1 September 2020 to 15 October 2020

Time Entry - SIP9 Time & Cost Summary

F0033 - Franklin Investments Limited
 Project Code: POST
 To: 15/10/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.00	9.80	0.00	0.00	7.70	20.50	5,231.00	255.17
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	8.50	8.50	1,275.00	150.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	5.00	0.00	0.00	0.00	2.00	7.00	2,275.00	325.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	8.00	9.80	0.00	0.00	18.20	36.00	8,781.00	243.92
Total Fees Claimed							0.00	
Total Disbursements Claimed							0.00	

Appendix E

Additional Information in Relation to Joint Administrators' Fees

1 Fee Basis

- 1.1 The Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Administrators' fees estimate will be included in this information, which also provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred, and it may be necessary to revise the Administrators' estimate of fees.
- 1.4 In this case, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

2 Expenses

- 2.1 Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. I will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	£ (plus applicable VAT)
Agent's costs in dealing with property/chattel asset sales	TBC	% of realisations to be charged	40,000
Agents fees in carrying out desktop appraisal	Behr & Co	Set Fee	400.00
Security	PJI Property Limited	Set Fee	585.00
Solicitor's costs in dealing with sale of property	TBC	Time costs and disbursements	5,000
Statutory advertising	EPE Reynell	Set Fee per Advert	77.00
Administrator's bond	AUA Insolvency Risk Services	Set Fee based on risk	600.00
Insurance of Assets	AUA Insolvency Risk Services	Set Fee based on risk	184.80

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

- 2.2 The agents have not yet been appointed, but it is estimated that their fees will be based on 1-1.5% of realisations.
- 2.3 Solicitors have not yet been instructed as the property is in the initial stages of marketing, however it is estimated that their fees will be set as time costs and disbursements.
- 2.4 The costs of the insurance is for the current quarter only.

3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 I am not proposing to utilise the services of any sub-contractors in this case.

4 Joint Administrators' Disbursements

- 4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.
- 4.3 I would confirm that this firm does not seek to charge any Category 2 disbursements.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

5 Charge-out Rates

- 5.1 A schedule of CG&Co charge-out rates for this assignment effective from 1 January 2020 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Partner	395
Manager	295
Assistant Manager	150
Administrator	125

Franklin Investments Limited- Estimate of time to be incurred Post Appointment
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Hours								Total hours
Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Junior Administrator	

3.00	-	-	6.00	7.00	-	-	-	-	16.00	4,005	250.31
3.50	-	-	6.00	11.50	-	-	-	-	21.00	4,878	232.26
5.00	-	-	9.00	20.00	-	-	-	-	34.00	7,650	224.41

2.00	-	-	3.00	13.00	-	-	-	18.00	3,625	201.39
2.00	-	-	3.00	13.00	-	-	-	18.00	3,625	201.39

[illegible][illegible][illegible][illegible][illegible]

1000

Franklin Investments Limited (the Company)

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

Fees Overview

Prior to an insolvency practitioner agreeing the basis of his remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, a **fees estimate** must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a **fees estimate** may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the **fees estimate** is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the Administration. If it is considered that the **fees estimate** will be exceeded, the Administrator will provide an update and seek approval to increase the previously agreed **fees estimate**.

Work anticipated and the likely return to creditors

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis

In this case, it is being proposed that the basis of my remuneration as Administrator will be based on the time spent by me and my staff in dealing with the Company's affairs. Attached to this document is my **fees estimate**, together with an explanation of the work I propose undertaking.

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my **fees estimate**, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

This **fees estimate** is produced on the basis of all the work I currently propose will be necessary in the Administration. If I consider the **fees estimate** will be exceeded, I will notify creditors accordingly and provide a revised estimate and seek further approval for my increased fees.

Outline of work to be done by the Administrator

Below are details of the work I propose undertaking in support of the above **fees estimate** for the Administration:

Administration (including statutory compliance & reporting)

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work includes:

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Preparing and issuing the Administrator's statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Administrator's office where necessary
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security

Realisation of assets

As outlined in the Administrator's proposals, the Administrations and their staff are dealing with the realisation of the Company's assets.

The land at the North Side of Mary Vale Road, Birmingham, B30 2HP is currently a vacant carpark and has planning permission for 52 apartments. The land at It will be marketed for sale and it will be necessary to review offers received and take advice from agents.

It will be necessary to liaise with our solicitors in respect of the sale of the site.

As noted in the proposals, the Director has expressed an interest in rescuing the Company as a going concern, which would entail paying the secured and any unsecured creditors in full. If this materialises then the agents will be disinsturcted as it will not longer be necessary to realise the asset.

Work done by the Administrator, his staff and any third parties engaged to assist the Administrator in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on

realisations and the extent of any 3rd party security, result in a distribution to the preferential and/or unsecured creditors of the Company. Further information on the likely outcome of the Administration process will be provided in the Administrator's subsequent progress reports.

Creditors (claims and distributions)

As Administrator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the directors' estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, a distribution may be available to the secured creditor. I will either deal with the review and adjudication of creditors' claims in the Administration or if appointed liquidator, in the subsequent liquidation, if it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on the information currently available and the projected realisable value of the Company's assets which at this stage is unconfirmed, together with the anticipated costs of the Administration. I will confirm the likely return to creditors in my future progress reports.

Investigations

As Administrator, I am required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. I have included the time I consider will be needed to comply with the above legislation within ***Administration*** above.

If however, my initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category.

At this stage, I do not foresee any substantial investigation work will be required but if following the conclusion of my initial investigations I consider that further investigation work is then required to pursue assets of the Company, I will provide creditors with an update on my ***fees estimate*** in due course.

The Company's bank statements have been requested and a full review will be undertaken once received.

Administrator's Expenses

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Estimated cost (Plus applicable VAT) £
<i>Agents' costs for carrying out a desktop appraisal</i>	480
<i>Agents' costs for marketing and the sale</i>	40,000
<i>Security</i>	585
<i>Solicitors' costs for sale</i>	5,000
<i>Insurance</i>	200
<i>Statutory advertising</i>	77
<i>Specific penalty bond</i>	600
Category 2 disbursements charged by the firm:	
<i>None</i>	

It should be noted that the cost of the agent for marketing and the solicitors are estimates as there are no formal instructions in respect of these professionals.

The insurance amount is an estimate for the current quarter only as the underwriters have yet to assess the risk. The amount stated relates to the initial open cover premium.

CG&Co's Charge-out rates and Category 2 disbursements policy

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements.

Category 2 disbursements are not charged.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the **fees estimate** for the Administrator, creditors will be notified accordingly.

Administrator's Fees Estimate

Attached is my **fees estimate** for the Administration. The work the Administrator anticipates undertaking in relation to this estimate has been outlined above. It is an estimate for the entire Administration. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised **fees estimate** as appropriate.

CG&CO CHARGING POLICY

INTRODUCTION

This note 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 dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving 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 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 a case along with the office holder to allocate their time to the case. The time is recorded 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

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* – specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case subject to approval:

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

CG&CO CHARGE OUT RATES

The rates applying as at the date of this report are as follows:

	£'s
Partner	395
Director	345
Manager	295
Assistant Manager	150
Administrator	125
Support	50

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

Time is recorded in 6 minute units.

FRANKLIN INVESTMENTS LIMITED - IN ADMINISTRATION

Appendix F

Estimated Outcome Statement as at 14 October 2020

	£
Assets subject to Fixed Charge	
Freehold property	Uncertain
Less:	
Cost of Administration	(88,000)
Available to Secured Charge Holder	
Amount due to Secured Charge Holder	(2,423,175)
Surplus / (deficit) to Secured Charge Holder	Uncertain
Preferential creditors	Nil
Deficit due to Secured Charge Holder under fixed charge	(Uncertain)
Deficit available for unsecured creditors	(Uncertain)