



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

1 Company details

Company number 0 7 8 9 3 3 9 5

Company name in full The House Crowd Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Frank

Surname Ofonagoro

3 Administrator's address

Building name/number Third Floor

Street 196 Deansgate

Post town Manchester

County/Region

Postcode M 3 3 W F

Country

4 Administrator's name ①

Full forename(s) Jeremy

Surname Woodside

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Third Floor

Street 196 Deansgate

Post town Manchester

County/Region

Postcode M 3 3 W F

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
To date	^d 2	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
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**Presenter information**

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

Contact name **Alex Holliday**

Company name **Quantuma Advisory Limited**

Address **Third Floor**
196 Deansgate

Post town **Manchester**

County/Region

Postcode **M 3 3 W F**

Country

DX

Telephone **0161 6949144**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Frank

Surname

Wessely

3 Insolvency practitioner's address

Building name/number

2nd Floor

Street

Arcadia House

Post town

15 Forlease Road

County/Region

Maidenhead

Postcode

S L 6 1 R X

Country

The House Crowd Limited - (In Administration) (“the Company”)

In the High Court of Justice Business and Property Courts in Manchester CR-2021-MAN-000111

THE JOINT ADMINISTRATORS’ PROGRESS REPORT

21 September 2023

Frank Ofonagoro, Jeremy Woodside and Frank Wessely of Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF, were appointed Joint Administrators of The House Crowd Limited on 24 February 2021.

Frank Ofonagoro is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners Association and Jeremy Woodside and Frank Wessely are licensed to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

This report has been prepared for circulation solely to comply with the Joint Administrators’ statutory duty to report to Creditors under the provisions of The Insolvency (England and Wales) Rules 2016 and for no other purpose. This report is intended for the statutory recipients. The report cannot be used or relied upon by any party other than for its intended statutory purpose.

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ABBREVIATIONS

CASS	Client Assets Sourcebook (Financial Conduct Authority)
CVL	Creditors' Voluntary Liquidation
FCA	Financial Conduct Authority
Group	The House Crowd Limited, its subsidiaries, investments and House Crowd Developments and all HCD & HCP SPVs
HCD(s)	House Crowd Development SPVs typically named House Crowd Development 1, 2, etc.
HCF	House Crowd Finance Limited (in Liquidation)
HCFSa	House Crowd Finance (Security Agent) Limited (in Liquidation)
HCP(s)	House Crowd Property SPVs typically named House Crowd Project 1, 2, etc.
HCPM	House Crowd Property Management Limited (in Liquidation)
HMRC	Her Majesty's Revenue & Customs
IFISA	Innovative Finance ISA
Investor / Retail Lender	A registered member of the Platform
Insolvency Office Holders	Frank Ofonagoro, Jeremy Woodside and Frank Wessely
IPA	Insolvency Practitioners Association
ISA	Individual Savings Account
IT	Information Technology
Jacqui Hewitt Bookkeeping	Jacqui Hewitt Bookkeeping Plus
JMW	JMW Solicitors LLP
Landwood Group	Landwood Commercial (Manchester) Limited
LLP	Limited Liability Partnership
MangoPay	MangoPay SA
NI	National Insurance
PAYE	Pay-as-you-earn Tax
Payroll Options	Payroll Options Limited
Platform	www.thehousecrowd.com
POD	Proof of Debt form
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
Reporting Period	Period covered by the report from 24 February 2023 to 23 August 2023
ROC	Registrar of Companies
RPO	The Redundancy Payments Office
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs
SPV	Special Purpose Vehicle

THC	The House Crowd Limited (in Administration)
The Act	The Insolvency Act 1986
The Company	The House Crowd Limited (in Administration)
The Court	High Court of Justice Business and Property Courts in Manchester
The Court Order	High Court Order (Business & Property Courts) Court order CR2021-MAN-000118
The House Crowd Business	Collectively THC, HCF, HCFSA, HCPM, HCD SPVs, HCP SPVs
The Joint Administrators	Frank Ofonagoro, Jeremy Woodside and Frank Wessely
The Rules	The Insolvency (England & Wales) Rules 2016
The Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
VAT	Value Added Tax
Whole Period	Period covered by the report from 24 February 2021 to 23 August 2023

1. INTRODUCTION

This report has been prepared to provide creditors and investors with an update on the progress of the Administration of the Company since the last report dated 23 March 2023.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

This report should be read in conjunction with all previous reports issued by the Joint Administrators.

Given the information previously provided in earlier reports, detailed background information in respect of the Company has not been included and this report focusses on the progress of the Administration subsequent to those reports.

Details of the appointment of the Joint Administrators

Frank Ofonagoro, Jeremy Woodside and Frank Wessely of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 24 February 2021.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or all of them.

The Joint Administrators' proposals were approved by creditors on 4 May 2021 via a deemed consent procedure. A formal notice confirming this was sent to all creditors on 10 May 2021.

The Joint Administrators performed their functions with an aim to achieve the Administration objective of achieving a better result for the creditors as a whole than would be likely to be achieved if the Company were wound up (without first being in Administration).

Extension of the Administration

The Administration was scheduled to end on 24 February 2022, however, a 12-month extension to the period of Administration so that it is scheduled to end on 24 February 2023 was granted by the relevant creditors on 4 January 2022.

Before the Joint Administrators can finalise the Administration, it is essential that they deal with the outstanding matters in relation to the process of migrating the Company's ISA Manager status to a third party manager and as a result, a further extension was requested and granted by the Court on 27 January 2023, with the Administration then scheduled to end on 24 August 2023.

On 22 June 2023, the Joint Administrators informed all relevant investors that their IFISA account would be transferred to a new manager on or around 24 August 2023, following the expiry of a statutory 30-day notice period that was previously provided to investors.

However, due to matters outside of the Joint Administrators' control, the migration was not able to occur as planned and in order to maintain the ISA Manager status for the benefit of IFISA account holders, it was deemed necessary to extend the period of Administration again. Therefore, on 15 August 2023, the Court extended the Administration period for a further six months until 23 February 2024.

2. THE PROGRESS OF THE ADMINISTRATION

Court Applications

First Court proceedings

As previously reported, the Joint Administrators made an application to Court in respect of the proposed basis on which they will fund their remuneration and third-party costs of the Administration process.

Following a Court hearing on 28 July 2022, the Court made an Order approving the Joint Administrators' basis for paying their remuneration and associated third party costs to undertake the Administration process, and a copy of the sealed Court Order was provided to all investors on 20 September 2022.

Proposed costs recovery % uplift

As previously explained, the Joint Administrators informed all investors that the duration of the wider House Crowd insolvency process and realisation of assets is now taking considerably longer than anticipated and made investors aware of the extended timeline until these matters can be brought to a

conclusion This extended time line has led to unavoidable significant increases to the costs of realising investor related assets, including the Joint Administrators' remuneration.

Given the forecast increase in costs for the reasons set out above, the Joint Administrators made a Court application in March 2023 (as directed by the Judge at the first costs hearing) to seek an increase in our current costs' recovery basis from 11% of investor asset realisations to c.26%. An initial directions hearing was held in June 2023 in which a substantive (main) hearing was scheduled by the Court to commence on 30 October 2023 in order to allow sufficient time for representations to be made from the investor community.

It is important to note that whilst the Joint Administrators welcome these representations, the timeline set by the Court has resulted in unplanned delays to the progression of the wider House Crowd insolvency processes and ability of the Joint Administrators and Liquidators (in the case of HCFSA and HCF) to pay necessary expenditure incurred by the various House Crowd insolvency estates.

The Joint Administrators therefore had no choice but to apply to Court for an interim Order approving a small uplift of 0.5% to proportion of investor net asset realisations that could be deducted to fund necessary insolvency estate expenses. Investors should note these necessary expenses consist of ongoing fixed costs of the Administration process, including retained employee and consultants' costs as well as costs relating to IT services. We confirm that none of this Court approved 0.5% has gone towards defraying any costs relating to outstanding fees owed to the insolvency Office Holders from Quantuma Advisory Limited.

On 28 July 2023, the Court agreed with the Administrators' request and sanctioned the additional uplift of 0.5% to be drawn from all net realisations resulting from development and bridging loans. The result of this is that to date a total of 11.5% of net realisations has been sanctioned by Court to defray all associated costs of the House Crowd insolvency processes.

Please note that the above costs specifically relate to investor related assets and associated costs. The direct costs associated with the Administration process and Company assets are detailed in section 6 of this report.

Distribution Strategy

In our last update to investors, we referenced the extensive work we have been undertaking to understand the appropriate basis on which a distribution can be made to investors according to the respective House Crowd products invested in. This work has consisted of (but not limited to) the following:

- Instructing a detailed legal review of all contracts and loan agreements (c25-30);
- Undertaking a reconciliation of all loan positions
- Instructed an external review of loan redemption statements and accompanying records
- Undertaking a line by line review and reconciliation of all investor transaction journals (in some instances dating back over five years and comprising thousands of transactions)
- A detailed review of the wider House Crowd electronic servers and systems to piece together investor related information and records before any coherent review could be commenced.

The Joint Administrators are pleased to confirm that much of the groundwork detailed above have been completed, but there remains additional work to be undertaken before the Joint Administrators are able to submit a proposed distribution mechanism application to Court for approval.

Unfortunately, before such an application can be made, the question of Court approval of the basis on which costs of continuing to administer the ongoing insolvency processes need to be decided on by the Court. As a result, the Joint Administrators are therefore unable to submit a proposed distribution strategy to Court until the conclusion of the Court hearing currently scheduled for 31 October 2023. No further work in this regard will be undertaken until after a decision has been made on the Joint Administrators' ability to fund costs. It is likely that the remaining work to be undertaken will take a matter of months to complete before the Joint Administrators are in a position to comment any further on likely timings for an application to Court on a proposed distribution strategy.

Please note that the matters outlined above specifically pertain to investor related assets.

Monies held pre-Administration

As previously reported, the wider House Crowd Business' operations were structured in a manner that meant that the business did not have an obligation to abide by CASS rules which govern how any funds constituting "client monies" should be managed.

Instead, THC engaged a client money service provider, MangoPay, to manage any client monies across all of THC's investment products except the IFISA product (which was managed by Woodside Corporate). Any retail lender funds held by these service providers at the date of Administration were kept in ring fenced accounts operated by these providers.

The Joint Administrators have spent significant time in liaising with the third-party payment providers (Mango pay and Woodside Corporate) in relation to non-invested client monies held by them at the commencement of the Administration.

The Joint Administrators have been able to successfully reconcile the monies held by these providers and have asked all of the concerned investors to provide their bank account details so that their funds can be returned to them.

The Joint Administrators continue to repatriate funds back to investors.

Interaction with the FCA

THC remains a regulated entity falling under the ambit of the FCA's oversight.

The Joint Administrators continue to keep the FCA updated on the progress of the Administration and consult on any relevant issues.

Employees

As the wind down of the wider House Crowd business progresses, the Joint Administrators continue to review the needs of the Administration estate to ensure that costs of retained staff and consultants offer value to the Administration process.

Subsequently there remain two THC employees and three consultants that continue to support the Joint Administrators in the wind-down of THC and its subsidiaries. These employees and consultants have an intrinsic knowledge of the House Crowd Business and operations and are essential to the wind down and asset realisation process. They have supported the Joint Administrators in undertaking various tasks throughout the Reporting Period including, but not limited to the following: -

- Aiding the Joint Administrators in their capacity as security agent with the ongoing sales of the development properties in HCFSa;
- Aiding the Joint Administrators with the ongoing collect out process of the bridging loan book;
- Further review and preparation of redemption statements;
- Providing the management services to the HCP SPV entities via HCPM;
- Assisting the Joint Administrators with addressing retail lender queries; and
- Assisting in the preparation of updates to the FCA and retail lenders.

The Joint Administrators' Receipts and Payments account

Attached at Appendix 3a is a receipts and payments account covering the Reporting Period together with the cumulative totals from the previous Periods. The Joint Administrators confirm that the account has been reconciled with that held at the bank.

VAT Basis

The receipts and payments are shown net of VAT. We have shown separately the total VAT on payments as this represents an irrecoverable expense because the Company is not VAT.

Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Reporting Period, primarily these tasks have included:

- Maintaining case files, to ensure that the Joint Administrators' records accurately reflect the issues encountered by the Joint Administrators; how these issues have been addressed; and the basis on which the Joint Administrators have reached their decisions;
- Monitoring and maintaining an adequate statutory bond insurance over the administration estate;
- Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with statutory requirements under current UK Insolvency legislation;
- Maintaining and updating the Administration estate's cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Completing periodic tax returns; and
- Deliberating, planning and taking steps to execute the appropriate exit from Administration of the Company into a Liquidation process (as and when appropriate).

Other Income

HCPM and HCFSA Employee and Consultancy Recharges

As previously reported, following their appointment, the Joint Administrators established that all employees of the House Crowd Business were employed directly by THC, albeit some staff provided services across the different legal entities (including HCFSA and HCPM).

The costs in respect of these employees and consultants are initially met by the THC Administration estate and are subsequently recharged to the HCFSA Administration estate (these receipts are shown on the receipts and payments account at Appendix 2).

HCFSA inter-estate funding

As previously reported, it was necessary for the Administrations of THC and its subsidiaries to occur simultaneously as although separately incorporated entities, THC's affairs were so inter-linked with its subsidiaries and that they had been operated effectively as a single business with cross pollination of resources, management and funding.

As detailed in prior reports THC is not forecast to have enough realisations to be self-sufficient. Therefore, in order to be able to continue the Administration process of THC, the Administration estate of HCFSA has provided funding to the Administration estate of THC.

During the Reporting Period, the sum of £65,000 has been provided by HCFSA to THC, resulting in the total sum transferred totalling £330,000 to date to pay third party professional costs together with payroll and consultancy costs.

THC will not be in a position to repay this funding from HCFSA, however, because the continuation of THC Administration is critical for the process of maximising realisations and returning capital to investors, the Court, in its Order made on 28 July 2022, ratified these steps undertaken by the Joint Administrators.

It should be noted that HCFSA has recently completed a move from Administration to Creditors' Voluntary Liquidation. However, members and creditors should note that this will not impact the above position in any material way.

Realisation of assets

It should be noted that only assets realised during the Reporting Period will be discussed in this report.

Book Debts - HCP SPV Loans

The directors' estimated Statement of Affairs detailed loans to various HCP SPVs with a book value of £76,018 but an "uncertain" estimated to realise value.

As previously reported, the Joint Administrators appointed an independent director of the individual HCP entities and had started the process of calculating any possible sums that may be due from the HCP entities to THC.

In addition, the directors' estimated Statement of Affairs lists an asset consisting of shares held in various HCP SPVs with a book value of £7,000 but an "uncertain" estimated to realise value.

As previously reported, the majority of the HCP properties have now been sold, and sales proceeds are being distributed back to shareholders via a solvent liquidation process. The level of funds available to shareholders differs in each HCP depending on the balance of sales proceeds and level of shares held.

As part of the reconciliation of these loans, it was noted that several of these loans were written off prior to the Joint Administrators' appointment and these write offs were confirmed to the respective HCP investors. Therefore, it is not anticipated that any further realisations will be made in this regard.

In the Reporting Period, a balance of £1,500 has been received in respect of distributions from the HCP entities and the distribution process in the remaining MVL entities remain ongoing.

HCD20 Share Realisations

As part of a wider settlement agreement involving the director of HCD20, THC has received the sum of £9,700 in respect of a return for shares held in the development company.

No further realisations will be made in this regard.

Refund of loan from HCFSA

During the Reporting Period, HCFSA has repaid a balance of £24,805 THC to enable a distribution to the preferential creditors.

Miscellaneous Refunds

During the Reporting Period the sum of £168.73 has been received from Amazon Web Services in respect of an overpayment made by the Company prior to the Joint Administrators appointment.

Gross bank interest

During the Reporting Period, a nominal amount of gross bank interest has been received.

Estimated Future Realisations

Claim in HCF

THC has a claim in the Liquidation of House Crowd Finance Limited (that has not yet been adjudicated upon) estimated to be in the sum of £552,597.

The Joint Administrators intend to submit a claim for the sum due and based on current information expect to receive a dividend, however, the quantum and timing of the dividend remains uncertain.

Claim in HCPM

THC has a claim in the Liquidation of House Crowd Property Management Limited (that has not yet been adjudicated upon) estimated to be in the sum of £552,597.

The Joint Administrators intend to submit a claim for the sum due and based on current information expect to receive a dividend, however, the quantum and timing of the dividend remains uncertain.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

There are no secured creditors holding fixed and floating charges over the Company's assets.

Preferential creditors

Following their appointment, the Joint Administrators made eight employees redundant as they were no longer needed for the Administration process.

Preferential claims relating to unpaid holiday pay/wage arrears/pension contributions were estimated at £9,700 in the Director's Estimated Statement of Affairs.

A final preferential claim totalling £10,452 was received from the Redundancy Payments Office in the Reporting Period. This has been adjudicated and agreed by the Joint Administrators and a dividend of 100p in the £ was declared on 4 September 2023 and paid on 13 September 2023. As the payment was made outside the Reporting Period it is not reflected in the Receipts and Payments account at Appendix 2.

Please note that following an adjudication of the claims it was concluded that there were no residual preferential claims due to employees, and correspondence was issued to preferential creditors in the Reporting Period confirming same.

Secondary Preferential creditors

In any insolvency process started from 1 December 2020, HM Revenue and Customs ('HMRC') is a Secondary Preferential Creditor for the following liabilities:

- VAT
- PAYE Income Tax
- Employees' NIC
- CIS deductions
- Student loan deductions

This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the Preferential Creditors have been paid in full.

HMRC's secondary preferential claims relating to PAYE were estimated at £9,000 in the Director's Estimated Statement of Affairs.

It was previously reported that HMRC had submitted a claim in the sum of £5,197 in respect of their secondary preferential claim. HMRC subsequently confirmed the final secondary claim in the Administration in the sum of £5,197. This has been adjudicated upon and agreed by the Joint Administrators and a dividend of 100p in the £ was declared on 4 September 2023 and paid on 13 September 2023. As the payment was made outside the Reporting Period it is not reflected in the Receipts and Payments account at Appendix 2.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the Unsecured Creditors. This equates to:

- 50% of net property up to £10,000.
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

The Company has not granted a floating charge to any Creditor after 15 September 2003 and consequently there will be no prescribed part in this Administration.

Unsecured creditors

Unsecured claims were estimated at £96,955 in the Director's Estimated Statement of Affairs and, to date, claims have been received from unsecured creditors totalling £195,769.

It was previously reported that so as not to prejudice the position of creditors in extending of the process (and delaying the move to Liquidation), the Joint Administrators would seek sanction from the Court to make a distribution to the unsecured creditors in the Administration as and when required. This sanction has been provided by the Court.

However, in order to be in a position to make a dividend to unsecured creditors, the estate requires a refund from HCFSAs for monies belonging to the insolvency estate which were utilised for the benefit of Investors at the outset of the Administration process. This refund forms part of the Joint Administrators' ongoing application to Court.

Based on current information the Joint Administrators anticipate that a distribution to unsecured creditors will be made of c.25 p in the £, following the reconciliation and payment of the preferential distributions.

The exact quantum of the dividend available for unsecured creditors will be dependent upon the final level of claims provided by creditors and statutory costs of the Administration.

Please note that investors are not unsecured creditors and any distribution to unsecured creditors is not from investor related recoveries (Development and Bridging loans)

Claims Process

Due to the possible distribution to Unsecured Creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Alex Holliday.

A Proof of Debt form is attached at **Appendix 6**.

4. INVESTIGATIONS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of THC's Directors has been undertaken and a confidential report was submitted to The Insolvency Service on 19 May 2021.

This initial assessment has been completed and the Joint Administrators did not identify any further assets or actions which might lead to a recovery for Creditors.

Although this work did not generate any financial benefit to Creditors, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

5 ETHICS

Please also be advised that Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics> additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies.

General ethical considerations

The Joint Administrators have given consideration to any new ethical threats that could have arisen during the Reporting Period.

Due to the interconnectivity of the legal entities and the corresponding intercompany creditor positions, there is a perceived objectivity threat in adjudicating upon certain claims ourselves, therefore as a safeguarding measure, it is the intention of the Joint Administrators to request an independent third party review and adjudicate upon these claims as part of any distribution process to unsecured creditors.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by their own firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken.

The Joint Administrators' firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Other Information

General Data Protection Regulation

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notice>.

Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally, the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about **Quantuma Advisory Limited**, including our complaints policy and Professional Indemnity Insurance, can be found at <https://www.quantuma.com/legal-information>.

6. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration costs as detailed below:

Party instructed	Amount (£)
Quantuma Advisory Limited	12,167
Quantuma Advisory Limited (disbursements)	12
JMW Solicitors LLP	1,520
TOTAL UNAPPROVED	13,699

The Joint Administrators have received approval of these costs via a decision procedure on 21 February 2023, none of which have been discharged in the Administration.

The Joint Administrators' Fees

For dealing with investor affairs

As detailed earlier, the basis on which the Joint Administrators are remunerated for dealing with trust assets for the benefit of investors was decided by the Court in July 2022.

As at 21 February 2023, a total of £861k (excluding VAT) of fees have been drawn in respect of the Joint Administrators' remuneration.

For dealing with the affairs of creditors

The basis of the Joint Administrators' fees for dealing with matters on behalf of creditors was agreed on 22 February 2023 by the Company's unsecured creditors as follows:

1. A fixed fee of £100,000.

The set fee is considered a fair and reasonable reflection of the work undertaken by the Joint Administrators for the benefit of creditors.

No fees have yet been drawn in respect of this aspect of the Joint Administrators' remuneration.

The Joint Administrators have not provided details of their time costs or charge out rates as in accordance with SIP 9 guidance, there is no requirement to do so when their remuneration has been set on a fixed fee basis.

Joint Administrators' Expenses

An amended Statement of Insolvency Practice 9 (SIP 9), was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses, which include disbursements that have been incurred and not yet paid during the Review Period and the Whole Period are detailed below. This includes a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate:

Expenses	Actual expenses incurred in the Reporting Period £	Expenses Paid in the period £	Expenses unpaid from previous Reporting Period £	Total incurred but not yet paid £
Category 1 Expenses				
Disbursements	60	Nil	Nil	60
Postage	988	988	Nil	Nil
Statutory Advertising	100	100	Nil	Nil
Total	1,148	1,088	Nil	60

Investors and creditors should note that the above table now only includes the costs associated for the Joint Administrators in carrying out their statutory duties for the benefit of creditors. All costs associated with the recovery of the loans for the benefit of investors will be paid out of the aforementioned % to be determined at the Court hearing in November 2023, and as such are not included in the above table.

The category 1 expenses paid for in the Reporting Period are detailed on the Receipts and Payments account at Appendix 3a and represent payments to parties not associated with the firm, who have provided services or goods for the Administration of the assignment.

No category 2 expenses have been incurred during the Reporting Period.

Any sums incurred in the period but not paid will be paid as an expense in the Liquidation estate.

Sub Contracted Work

The Joint Administrators have not sub-contracted out any work to professionals that could have otherwise been completed by themselves.

Other professional costs

As detailed on the Receipts and Payments account, legal fees have been incurred in respect of extensions to the Administration process for the benefit of investors and not creditors. Therefore, as these have been paid from the insolvency estate a refund from investors funds in the future will be likely needed so as not to prejudice the position of creditors.

Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

THE FUTURE OF THE ADMINISTRATION

As previously reported, THC is the registered ISA manager for the IFISA products and is able to maintain this status whilst the Company is in Administration.

As stated in previous reports, the Joint Administrators have been advised that according to HMRC guidance the ISA Manager status can only be maintained in a process of Administration and would automatically be removed should the Administration move to a process of Creditors' Voluntary Liquidation ("CVL") in the future.

During the Reporting Period, the Joint Administrators engaged the services of a third-party ISA manager to migrate this status for the benefit of the IFISA holders, which is critical in maintaining the tax wrapper status for the same upon distribution of any funds. It had previously been expected that this process would be finalised within 6 months, however, due to unforeseen circumstances, a further extension to the Administration was required.

It is anticipated that the Administration will be required to move to a CVL process once this matter has been dealt with.

As stated in the Joint Administrators' proposals, it was previously anticipated that the Administration process would be concluded within 18 – 24 months of the appointment. However, based on the recent Court extension approved by the Court it is now envisaged that the Joint Administrators will remain in office until 23 February 2024 following which they will move to Creditors' Voluntary Liquidation.

The remaining matters to be concluded in the Administration are as follows:-

- Finalise the transfer of the ISA Manager status to third party in order to maintain the ISA wrapper for certain investors;
- Oversee the buildout of the outstanding House Crowd Developments and the collections of the Bridging Loan Book;
- Realisation of Administration estate assets;
- Distribute available funds to applicable creditors; and
- Progress and conclude general matters of the Administration process.

Exit route

As previously reported, the Joint Administrators intend to exit the Administration process in one of the following ways, appropriate to the circumstances at the time

- (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
- (ii) in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the Court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Frank Ofonagoro, Jeremy Woodside and Frank Wessely will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved.

Should you have any queries in regard to any of the above please do not hesitate to contact my team on thehousecrowd@quantuma.com.



Frank Ofonagoro
Joint Administrator

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

STATUTORY INFORMATION

Company Name	The House Crowd Limited
Proceedings	In Administration
Court	High Court of Justice Business and Property Courts in Manchester
Court Reference	CR-2021-MAN-000111
Date of Appointment	24 February 2021
Joint Administrators	Frank Ofonagoro Jeremy Woodside Quantuma Advisory Limited Third Floor, 196 Deansgate Manchester M3 3WF Frank Wessely Quantuma Advisory Limited Second Floor, Arcadia House 15 Forlease Road Maidenhead SL6 1RX
Registered office Address	C/o Quantuma Advisory Limited Third Floor, 196 Deansgate Manchester M3 3WF
Company Number	07893395
Appointment by	The Directors

APPENDIX 2

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

The House Crowd Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/02/2023 To 23/08/2023 £	From 24/02/2021 To 23/08/2023 £
	ASSET REALISATIONS	
	Bank Interest Gross	33.08
	Book Debts	1,500.50
109,504.21	Cash at Bank	NIL
	HCD20 Share Realisations	9,700.00
	HCF consultancy recharges	NIL
	HCFSa consultancy recharges	NIL
	HCFSa PAYE/NI recharges	26,358.81
	HCFSa pension contributions recharge	2,608.86
	HCFSa wages recharges	50,395.86
	HCPM cash at bank	NIL
	HCPM consultancy recharges	NIL
	HCPM PAYE/NI recharges	NIL
	HCPM pension contributions recharge	NIL
	HCPM tax consultants recharges	NIL
	HCPM wages recharges	NIL
	Inter-estate loan from HCFSa	65,000.00
	Misc Refunds	168.73
	Natwest transfer error	NIL
	Office equipment	NIL
	Rates Refund	NIL
	Refund from HCFSa	24,805.17
		180,571.01
		964,466.83
	COST OF REALISATIONS	
	Accountants fees	14,184.00
	Bank Charges	105.00
	Collection of books & records	NIL
	Consultancy Fees	26,495.48
	Equitivo Pre-appointment	NIL
	HCPM cash at bank	NIL
	Insurance	NIL
	IT Costs - AWS	3,449.25
	IT Services	1,494.00
	Joint Administrators Disbursements	90.71
	Legal disbursements	5,392.12
	PAYE & NI	26,358.81
	Payroll Services	321.40
	Pensions Contributions	2,608.86
	Post Appointment Legal Fees	3,435.00
	Postage	987.71
	Refund of monies to Natwest	NIL
	Regulatory Consultants	NIL
	Share In	30,000.00
	Specific Bond	NIL
	Statutory Advertising	99.80
	Storage Costs	NIL
	Tax Consultants	NIL
	THC staff expenses	NIL
	VAT Irrecoverable	14,254.03
	Wages & Salaries	50,395.86
		(179,672.03)
		(939,233.61)
109,504.21		898.98
	REPRESENTED BY	25,233.22

The House Crowd Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/02/2023 To 23/08/2023 £	From 24/02/2021 To 23/08/2023 £
REPRESENTED BY CONTINUED		
Bank 1 Current		25,233.22
		<hr/>
		25,233.22
		<hr/>

Note:

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

THE JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT AS AT 23 AUGUST 2023

The House Crowd Limited
Estimated Outcome Statement as at 23 August 2023

	Estimated to Realise £
Assets not specifically pledged	
Refund from Investor Funds	110,696
Office Equipment	100
Book debts	10,750
Repayment of HCP loans	42,779
Misc refunds	160
Rates refund	1,317
Bank interest	49
Estimated dividend from HCPM	38,640
	<hr/> 204,457
Costs	
Administrators' Fees - Pre-Appt	(12,167)
Administrators' Fees - Post-Appt	(100,000)
Pre Apt legal fees	(1,250)
Specific Bond	(135)
Statutory Advertising	(176)
VAT Irrecoverable	(24,001)
Post	(374)
Collection of books & records	(1,583)
Accountants fees	(1,200)
Storage costs	(517)
Insurance	(604)
Misc costs	(2,000)
Bank charges	(474)
	<hr/> (144,481)
Amount Available for Pref Creditors	<hr/> 59,976
Preferential Creditors	(10,452)
Secondary Preferential Creditors	(5,197)
Surplus as per Preferential Creditors	<hr/> 44,327
Amount available to Unsecured Creditors	<hr/> 44,327
Est. Unsecured Creditors	
Trade Creditors	(159,641)
HMRC	(9,156)
	<hr/> (168,797)
Estimated Deficiency as per Unsecured Creditors	(124,470)
Estimated dividend (p/£)	0.25

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

**DETAILED NARRATIVE LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
DURING THE REPORTING PERIOD**

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REPORTING PERIOD

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
Administration & Planning -	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
<u>CREDITORS</u>	
Creditors -	
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice.	Preparation of preferential distribution calculation Preparation of correspondence to preferential creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution
Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate	Preparation of correspondence to creditors preferential advising of intention to declare distribution Advertisement of notice of proposed distribution
Dealing with HMRC/RPO claims	
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
<u>REALISATION OF ASSETS</u>	
Realisation of Assets –	
Debtors	Collecting supporting documentation Correspondence with liquidators of HCPs Reviewing and assessing HCP share position
<u>CASHIERING</u>	

Description of work undertaken	Includes
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House

THE HOUSE CROWD LIMITED – IN ADMINISTRATION

PROOF OF DEBT FORM

Date of Administration: 24 February 2021

DETAILS OF CLAIM	
Name of Creditor (if a company, its registered name)	
Address of Creditor (i.e. principal place of business)	
If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
If the total amount above includes outstanding uncapitalised interest, please state	
Particulars of how and when debt incurred	
Particulars of any security held, the value of the security, and the date it was given	
Details of any reservation of title in relation to goods to which the debt relates	
Details of any document by reference to which the debt can be substantiated. (The administrator may call for any document or evidence to substantiate the claim at his discretion.)	
Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	
If you wish any dividend payment that may be made to be paid into your bank account, please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	
AUTHENTICATION	
Signature of Creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	
Date	
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor	
Are you the sole member of the Creditor?	