

J. T. Underpinning & Basements Limited
(in Administration)

Company Registration Number: 06430986

**Administrator's Statement of Proposals
in accordance with paragraph 49 of Schedule B1 of the
Insolvency Act 1986 and Rule 3.35 of the Insolvency
(England and Wales) Rules 2016**

**The Administrator is managing the business and the affairs of the
above company in Administration, acting as its agent and without
personal liability.**

Date delivered to creditors: 12 January 2021

**J. T. UNDERPINNING & BASEMENTS LIMITED
(IN ADMINISTRATION)
ADMINISTRATOR'S
STATEMENT OF PROPOSALS**

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**J. T. UNDERPINNING & BASEMENTS LIMITED
(IN ADMINISTRATION)
ADMINISTRATOR'S
STATEMENT OF PROPOSALS**

Following my appointment as Administrator of J. T. Underpinning & Basements Limited ("the Company") on 23 November 2020, the following report is my statement of proposals ("the Proposals") for achieving the purpose of the administration. The Insolvency (England & Wales) Rules 2016 determine the content of these Proposals.

The sending of proposals is a matter that is required by law and provides creditors with details of the progress of the Administration to date and how I intend to achieve the purpose of the Administration.

1 Statutory and general information

Court: In the High Court of Justice CR-2020-004296

Company number: 06430986

Other trading names: No known other trading names

Former trading address: 32 Chailey Avenue, Enfield, EN1 3LZ

Former registered office address: Printing House, 66 Lower Road, Harrow, Middlesex, HA2 0DH

Current registered office address: 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex, UB8 1JT

Administrator: Virgil Harsham Levy of LA Business Recovery Limited, 1 Beasley's Yard, 126 High Street, Uxbridge Middlesex, UB8 1JT, licensed to act as an Insolvency Practitioner in the United Kingdom by the IPA under registration number 19090 was appointed administrator.

Name of appointer: John Francis Tummon, the Director

Date of appointment: 23 November 2020

Issued share capital: 100 ordinary shares of £1 each

Directors details within the last three years

Name	Appointed	Resigned
John Francis Tummon	19 November 2007	n/a

Company secretary for the last three years

Name	Appointed	Resigned
Jacqueline Gina Collins	19 November 2007	n/a

Shareholders details:

Name	No. of shares held	Type of shares
Mr John Tummon	100.00	Ordinary

2 Circumstances leading to the appointment of the administrator

2.1 Creditors should be aware that the following background information to the Company's affairs has been obtained from narrative prepared and provided by the Director of the Company but has been edited by LA Business Recovery Limited ("LABR") for context. Creditors are advised that the Director has also been unable to provide assistance to me since my appointment because he is currently in hospital.

2.2 The company was incorporated as J. T. Underpinning & Basements Limited ("the Company") on 19 November 2007 and commenced trading under this name. The Directorship has not changed since its

incorporation.

- 2.3 The company started immediately and was initially funded with a small bank overdraft. The business grew steadily over several years and was profitable.
- 2.4 The Company had no staff but did subcontract labour-only workers.
- 2.5 The Director of the Company had worked in the construction industry for 15 years prior to starting the Company. Due to his reputation, he was able to secure a number of clients for the Company.
- 2.6 The average size of the Company's contracts ranged from £200,000 to £250,000.
- 2.7 The Company's financial difficulties began following the World Health Organisation declaring the Covid-19 outbreak as a pandemic on 11 March 2020.
- 2.8 The Company found that clients were reluctant to commit to works due to the uncertainty and difficult financial period.
- 2.9 The Company took out loans to assist with cash flow through the initial period. These loans were not payable until the following year and were to be repaid via fixed monthly repayments.
- 2.10 In addition to the pandemics impact on cash flow, there was a historical debt owed to HM Revenue and Customs. The Company was making regular payments; however, it became unable to maintain these payments due to the lack of cash flow.
- 2.11 It became clear that the majority of the on-going projects were not making enough profit to overcome or reduce the losses or assist with the cash flow problems. One particular site ("Site A") incurred heavy losses for the Company, and it is this site in particular that the Director partly attributes the Company's failure to.
- 2.12 Site A losses were a result of a decrease in turnover, overheads still the same and the cost of trying to keep the workforce. The Company eventually had no alternative but to reduce the labour force in order to decrease costs, however, it was necessary to keep some of the workforce on site in order to finish the works in line with the contract.
- 2.13 I have been made aware that the Director has personally guaranteed some of the Company's loans that were introduced to assist with the cash flow.
- 2.14 Ultimately, the Director has stated that the main reasons for the company's failure are the impact of Covid-19 on trade, leading to cash flow troubles and the inability to repay loans and the HMRC debt. The director acknowledged that there was little prospect of trade improving and was introduced to LA Business Recovery Limited by Abbots (Harrow) Limited ("Abbots"), a firm of chartered certified accountants, in order to consider professional insolvency advice.
- 2.15 Following my advice and explanation of the options available, the Director decided that the most appropriate action was to put the Company into Administration largely with the view to collect in outstanding accounts and book debts. This was deemed more appropriate than Liquidation following independent guidance sought from Kinetica Consult Limited ("Kinetica"), a firm of quantity surveyors, which specialise in advising and resolving construction contracts for insolvency practitioners.
- 2.16 Consequently, I was appointed as Administrator of the Company on 23 November 2020.

3 Objective of the administration

- 3.1 As administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the administration, which is to achieve one of the three objectives set out in insolvency legislation (paragraph 3 of Schedule B1 of the Insolvency Act 1986), namely to:-
 - (a) rescue the Company as a going concern; or
 - (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
 - (c) realise property in order to make a distribution to one or more secured or preferential creditors.
- 3.2 Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not feasible.
- 3.3 As a result, I am seeking to achieve objective (b) for the Company, and will do this by establishing with customers the positions in respect of the current and completed contracts. I have noted that there may be disputes raised in respect of certain contracts/works; however, the Company raised final invoices it considered fell due to be raised. I have instructed Kinetica to assist me in resolving contract disputes and to collect in any outstanding monies due against the invoices that have been

raised.

- 3.4 Administration was deemed appropriate per the initial advice given to me by Kinetica and appears to be supported by recent case law (see John Doyle Construction Limited (in Liquidation) v Erith Contractors Limited and Styles & Wood (in Administration) v GE CIF Trustees) where adjudications are contemplated by an Administrator. We seek to use Administration as an appropriate insolvency tool that is aimed to provide a better chance of making realisations and enforcing adjudication awards, which would in turn be beneficial to creditors. Enforcing an award is unlikely to be supported if the Company first entered liquidation.

Kinetica provided guidance to me in the pre-appointment period on these points.

4 Steps taken since the appointment of the administrator

- 4.1 Creditors should note that this section of the proposals is the statement of work done and to be done.
- 4.2 This section is supported by the receipts and payments account, which can be found at appendix 1.
- 4.3 I am not, at this stage, seeking a fee resolution. However, I shall approach creditors at a later date to consider a fee proposal where I have a clearer path towards making recoveries. If my advisors and I are unable to make recoveries, I intend to either move the Company to dissolution or to Compulsory Liquidation (where I believe a liquidation to be appropriate given the circumstances). I may only move the Company into Creditors' Voluntary Liquidation if I am in a position to make a distribution to creditors.

Steps taken on appointment

- 4.4 On appointment, I advertised my appointment in the London Gazette, and all necessary documents were filed with the Registrar of Companies. Various routine and statutory notifications were sent to HMRC. I have also opened a bank account with Metro Bank PLC for the purposes of banking the residual cash at bank in my firm's possession upon my appointment. I have notified the members and creditors of my appointment.
- 4.5 I notified the director of his responsibility to provide a statement of the affairs of the company and copies of the appropriate forms were provided. I was informed by the Director's partner and the Company's book-keeper and accountants that he had been taken to hospital in December 2020 urgently. I have received a medical note in support of this, but I am not permitted to disclose any personal medical details.
- 4.6 I have followed up on the pre-appointment Anti-Money Laundering and Ethical considerations, reviewed new information and updated our case files as appropriate; I have put into place a statutory specific bond and have set up a claim reference number for employees with the Redundancy Payments Service. I have also completed an initial case review.
- 4.7 I have commenced my investigations by collecting in the Company's books and records – more information regarding investigations can be found later on in this section of the report.
- 4.8 I have continually liaised with the Company's book-keeper and accountants in order to progress investigations and to collate data for Kinetica to urgently consider and advise me in respect of the outstanding invoices and works contracts.
- 4.9 Whilst this work done does not yet provide a financial benefit to creditors, it is necessary to ensure that all relevant legislation is complied with and that the information is collected and considered.
- 4.10 In addition to the above, creditors should be aware that I have instructed Abbots to process the final payroll, provide the schedules and records relating to the Company; and for dealing with outstanding returns due to HMRC. Abbots was instructed because it has the requisite experience and qualifications for the assignment.
- 4.11 As previously stated, I have instructed Kinetica Consult Limited ("Kinetica"), a firm of specialist construction and property consultants, which predominantly advises insolvency practitioners in respect of construction contract disputes and on the collection of unpaid invoices. Kinetica has been instructed to review the Company's book debts and retention claims. I instructed Kinetica because it holds the requisite indemnity and experience for the assignment.
- 4.12 Depending on the outcome of Kinetica's findings, I may be required to instruct solicitors. I will provide creditors with more information in my next report.

Steps to be taken

- 4.13 The insolvency legislation sets a 12 month maximum duration for Administrations, unless the duration is extended by the Court, or with the consent of the appropriate creditors.

- 4.14 If I am unable to complete the Administration of the Company within 12 months, I will seek consent to extend in the first instance.
- 4.15 The current termination date of the Administration would be 22 November 2021.

Book Debts

- 4.16 The Company has outstanding book debts currently totalling £16,927.78 plus VAT (of £2,759.30).
- 4.17 The Company's books and records are in my possession and I have given the appropriate records to my agents, Kinetica, for review and consideration.
- 4.18 Following Kinetica's review, I may be required to instruct solicitors. Demand for payment will be made where appropriate.
- 4.19 The book debts are still being reviewed and whether recoveries will be made remains uncertain at this time.
- 4.20 Creditors will appreciate that there are a number of restrictions on debt recovery as a result of the Covid-19 pandemic and this may, therefore, impact book debt recoveries.
- 4.21 I will update creditors in my next report, which falls due on 23 May 2021.

Cash at bank

- 4.22 Cash received on appointment from the Company's pre-Administration bank account totals £6,000.00.

Other Assets

- 4.23 At this stage, I am not aware of any other assets in the estate other than the book debts.

Creditors

- 4.24 The below sections detail proposed amounts payable to creditors in the order that payments are to be made to each class of creditor.

Secured creditor

- 4.25 There are no known secured creditors.

Preferential creditors

Preferential claims consist of amounts owed to employees of the Company for any unpaid wages up to a statutory limit of £800 per employee and all unpaid holiday pay. Any other amounts owed to employees are ranked with the general unsecured creditors.

The only Company employee is the Director. He is not owed any wages but may have a claim for redundancy (which is not considered as preferential).

As a consequence, there are no known preferential creditors.

Prescribed part

- 4.26 There are provisions of the insolvency legislation that require an administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." After paying the all classes of preferential creditors, the amount remaining is the net property. An administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000 (for charges created between 15 September 2003 and 5 April 2020) or £800,000 (for charges created after 6 April 2020)

- 4.27 The Company has not granted any floating charges, so the prescribed part provisions will not apply and all net property will be made available to unsecured creditors once the costs of the administration have been accounted for.

Unsecured creditors

- 4.28 The Director provided a list of creditors and estimated amounts owed following my appointment. The list can be found with the estimated financial position at appendix 2. You will note that claims have been estimated to total £229,677.10. At the date of writing this report, I have received claims from 9 creditors which currently total £89,631.24. The claims received are slightly higher than estimated by the Director.
- 4.31 Creditors are invited to prove their debt using the proof of debt form provided with this report and creditors should not be unduly concerned if the value stated in this report differs to that stated in their own records.

- 4.32 On current information I believe a distribution is unlikely due to the level of assets available and the costs that are likely to be incurred in managing the Administration. More information regarding costs incurred to date and estimated to incur can be found in section 7.
- 4.33 If my information changes and I find that I am able to make a distribution then I will write to creditors asking them to submit their claims. All claims will be adjudicated and investigated only if or when a distribution is confirmed.

HM Revenue & Customs

- 4.34 During the course of the administration, all appropriate VAT and tax returns will be submitted. Any tax arising post-appointment will be calculated and paid over to the respective departments. As the Company is not trading, any payable post-appointment tax is likely to be from the collection of the outstanding book debts.

Case monitoring and reviews

- 4.35 The case strategy, and in particular the purpose of the administration, will be reviewed on a regular basis and periodical reviews, as required by best practice, will be undertaken.
- 4.36 My current focus is on book debt recovery and carrying out my investigations. I will pursue recoveries where possible and decide on the most appropriate exit route.

Statutory Requirements

- 4.37 The local bank account will be maintained, with reconciliations being undertaken in accordance with this firm's policy. After six months a progress report will be prepared and circulated to creditors.
- 4.38 The overall benefit to creditors is that I, as the administrator, will have ensured that all statutory requirements have been dealt with, and all assets have been realised, thereby being assured that I have used my best endeavours to secure assets for the benefit of creditors.

Investigations

- 4.39 I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the administration. I am also required to investigate the affairs of the Company in general to consider whether any civil proceedings should be taken on its behalf.
- 4.40 The initial investigations are predominantly carried out under the guidance of Statement of Insolvency Practice Number 2 ("SIP 2") which sets out best practice to be followed.
- 4.41 I should be pleased to receive from you any information or concerns you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure and that all submissions you make to me are handled confidentially.
- 4.42 An online submission to the Department of Business, Energy and Industrial Strategy ("DBEIS") is submitted within 3 months of the Administration. Please note that the submission is confidential and I am unable to disclose the content to creditors. Whilst the work may not bring about any financial benefit to the creditors (unless potential recoveries are identified), it is a statutory requirement.
- 4.43 My initial investigations are underway and a report to the DBEIS will be completed and submitted shortly.

5 Estimated financial position

- 5.1 It should be noted that advice has been provided by LA Business Recovery Limited to the Company only. The Director has been advised to take independent advice regarding the impact the insolvency of the Company will have on his personal affairs.
- 5.2 Shortly after my appointment, the director of the Company was asked to submit a statement of affairs.
- 5.3 As I have already advised in this report, the Director had been urgently taken to hospital in December 2020 and consequently has been unable to prepare a Statement of Affairs. I have received a medical note in support of this but I am not permitted to disclose any further information.
- 5.4 Please note that there is a reasonable explanation for the Director not submitting his Statement of Affairs and sufficient evidence has been provided. Due to data protection regulations, I am unable to provide more information regarding this at this stage.
- 5.5 In the absence of a statement of affairs, I have prepared an estimated financial position of the Company as at the date of administration from Company records and this is attached as appendix 2, together with a list of names and addresses of all known creditors and the amounts owed to them.
- 5.6 My observations based on the financial position based on the information available to me is as follows:

- 5.7 There is consideration being given by Kinetica and I in respect of what potentially forced the Director to put the Company into Administration. There arose a contract dispute by a customer and I understood from the Director that there was unnecessary pressure placed upon the Company's finances by that dispute.
- 5.8 The Company's unpaid invoices are being reviewed against the work completed pursuant to contracts by Kinetica. I had initiated the transfer of email and other communications to Kinetica from the Company's book-keeper. Managing the physical transfer of this information has been delayed given the Covid-19 restrictions. Data is being securely transferred to Kinetica and I await their initial findings and advice before I may consider taking action to recover the book debts.
- 5.9 Certain liabilities were incurred, it seems, by the Director for the Company by way of loans from the Funding Circle and a bounce back loan from the Company's bankers. These were to have provided sufficient cash flow to complete projects. It is said by the director that the aforementioned customer's project fell into dispute and consequently funds were not forthcoming to pay for works completed or on account. The director felt that that customer was expecting the Company to 'fund' the remainder of basement works with no further payment forthcoming from the customer. Kinetica is looking at this matter.
- 5.10 Certain lines of credit have been personally guaranteed and we have encouraged those creditors not to pursue the director at this time. I am grateful to those creditors, who have placed a stay on recovering monies under their guarantees.
- 5.11 The Director raised invoices prior to my appointment and I am working Kinetica to establish which invoices are collectible.

6 Basis of the administrator's remuneration

- 6.1 I am not proposing to fix my remuneration at this stage. I may, however, seek creditor approval at a later date where I deem it appropriate.
- 6.2 For creditors' information, I have enclosed my firm's rates and expenses policy at Appendix 4.
- 6.3 For the benefit of creditors, the Association of Business Recovery Professionals publish 'A Creditors' Guide to Administrators' Fees'. This document is available at the following website address, <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>.
- 6.4 I am aware that there is a risk that the costs that I incur may not be fully recoverable; however, I am prepared to accept my appointment and act as Administrator in order to progress matters.

7 Administrator's expenses and disbursements

- 7.1 Details of the expenses I have paid are shown on the attached receipts and payments account at appendix 1.

Accountancy Fees

- 7.2 £2,480.00 plus VAT has been charged and paid in accountancy fees. Abbots was instructed to assist with post-Administration work, including dealing with the final payroll, preparing P45's, scheduling and transferring securely employee-data; as well as liaising with me generally in respect of the Company's accounting records.
- 7.3 Assistance was also provided to me where they provided a verbal account of the Company's dealings given that the Director is currently unavailable.
- 7.4 I instructed Abbots because they were familiar with the Company's trading activities and its Director. Abbots have the relevant qualifications to perform this level of work and the fee charged is commensurate for the task completed.
- 7.5 The cost incurred would have been exceeded if my team and I tended to these instructions in place of Abbots. This cost saving is considered to be beneficial to creditors and to the purpose of Administration overall.

Advertising Costs

- 7.6 I am required to advertise my appointment as Administrator. An advert was placed in the London Gazette via EPE Reynell Advertising Limited. Their charge for placing the advert was £76.00 plus VAT and has been paid from case funds.

Incurring but unpaid expenses

- 7.7 A summary of category 1 expenses incurred but not yet paid are shown below:

Type of expense	Amount incurred since appointment	Amount still to be paid
Statutory bond – AUA Insolvency Risk Services Limited and paid by LA Business Recovery	£96.00	£96.00
Quantity Surveyor Services – Kinetica Consult Limited	£1,200.00 plus VAT	£1,200.00 plus VAT

7.8 I will not be seeking to draw costs for category 2 disbursements.

Future expenses and disbursements

7.9 At the date of writing, I advise creditors that I may incur the following:

7.9.1 Statutory Bond: If asset realisations exceed £10,000.00 I will be required to increase the statutory bond. An increase to cover assets that do not exceed in value of £25,000.00 will incur an additional cost of £64.00. Whilst it is not anticipated, should assets exceed £25,000.00 but total less than £50,000.00 the additional premium incurred will total £292.00.

7.9.2 Quantity Surveyor's fees are to be agreed shortly. These are usually by way of a percentage of recoveries and that percentage will be confirmed in due course.

7.9.3 Legal Fees are likely to be incurred where Kinetica is unable to broker an amicable settlement with any debtors.

7.9.4 Future accountancy or accountancy-related fees are not anticipated at this time.

8 Pre-appointment costs

8.1 The Company was originally referred to me on 11 November 2020. I was formally instructed to assist with placing the company into administration by the Director on 20 November 2020.

8.2 An advisory fee was charged to the Company for the advice provided to the Company, various conversations with the Director of the Company via telephone and email exchanges, reviewing various documentation relating to the Company's position and its creditors, drafting the letters of engagement and advice, consideration of ethical and anti-money laundering regulations, as well as assistance drafting, reviewing and filing the Administration documents on behalf of the Director.

8.3 The fee charged totalled £5,000.00 plus VAT and was paid by the Company prior to the Administration. I believe that this fixed fee was fair and reasonable when considering the nature of the case and relevant complexity.

8.4 A substantial amount of time was spent assisting the Director virtually, as well as regular liaison with his bookkeeper and the Company's accountants regarding the appraisal of the positions in respect of contracts. Included in the charge was the provision of my letter of advice and preparation of the relevant papers for the Director to swear and file in Court to perfect my appointment.

8.5 The work done was a requirement to ensure that the Company was properly advised of its options and to ensure the procedure was followed correctly. Additionally, it was essential for me to review the Company's position prior to my appointment to ensure that the Company would be able to achieve one of the three purposes of an Administration.

8.6 I therefore believe that the fee proposed has provided good value for money and can be considered as fair and reasonable.

8.7 Please note that, whilst not formally in office at the time as Administrator, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics. There was no deviation from the ethical code.

8.8 However, should creditors wish for more information regarding the advisory fee, then they should contact me at my Uxbridge office in the first instance.

Pre-appointment expenses and disbursements

8.9 The only disbursement incurred prior to my appointment as Administrator is the court filing fee. The cost was £50.00 (no VAT) and has been paid by LA Business Recovery Limited.

8.10 If a committee is appointed by the creditors, I will initially seek approval from the committee for payment of the pre-appointment fees and expenses that have not yet been paid. If the committee does not approve those fees, or it approves the fees at a level that the administrator feel is insufficient, I

may seek approval from the creditors as a whole by creditors' decision procedure, or from the Court.

- 8.11 If a committee is not appointed, I will be seeking a separate resolution to approve my pre-appointment remuneration at the creditors' decision procedure convened to approve these proposals. Further information regarding the decision procedure to agree administrator's proposals is detailed in paragraph 11 of this report.

9 Administrator's proposals and exit from administration

- 9.1 In order to achieve the objective set out in section 3 above, I formally proposes that:

9.1.1 I work in order to achieve the purpose of administration, as well as:

- a Investigate and, if appropriate, pursue any claims that the Company may have against any connected or third parties
- b Generally exercise the powers granted to an administrator as I consider appropriate in order to achieve the purpose of administration or protect and preserve the assets of the Company or to maximise realisations for creditors or to take such actions required by legislation regarding the conduct of the administration.

Exit Route

- 9.2 I am currently uncertain as to the exit route that I will take. I have therefore, as a precaution, provided the three main possible options:

Creditors' Voluntary Liquidation

- 9.3 If I think that a distribution will be made to the unsecured creditors, the administration will end by placing the Company into creditors' voluntary liquidation, and I propose that I, Virgil Harsham Levy, is appointed liquidator of the Company.
- 9.4 Please note that as a creditor, you may nominate a different person(s) as the proposed liquidator(s) in accordance with paragraph 83(7)(a) of Schedule B1 and rule 3.60(6)(b). You must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out at section 11 of this report.

Dissolution

- 9.5 If I am unable to make sufficient realisations to enable a distribution to be made to unsecured creditors and have not uncovered other areas of potential recoveries, then I shall exit Administration by filing a notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar three months after the notice is registered.

Compulsory Liquidation

- 9.6 Whilst unlikely, I may have no alternative but to apply to the court for an order that the Company be wound up in accordance with paragraph 82 of Schedule B1 of the Insolvency Act 1986. If I do so, then I shall propose to be appointed as the Liquidator of the Company. I will only exit via Compulsory Liquidation where I believe that there are additional investigations required but where I do not believe a distribution to the unsecured creditors will be possible.
- 9.7 I give creditors notice therefore of my intention to be appointed as Liquidator in a Compulsory Liquidation. Creditors may nominate a different person(s) as the proposed liquidator(s) in accordance with paragraph 83(7)(a) of Schedule B1 and rule 3.60(6)(b).
- 9.8 You must make the nomination(s) at any time after you receive these proposals, but before they are approved. Any application I may make to Court to seek a Winding Up Order will include reference to this request being made to creditors now to nominate an alternate Liquidator or object to my appointment as Liquidator. Where no objections or other nominations are received by the date on which these Proposals are approved, then I may include the provision for my appointment as Liquidator in my application to Court. Information about the approval of the proposals is set out at section 11 of this report.

10 COMI Proceedings

- 10.1 The Centre of the Company's Main Interests is in England and I therefore consider that the EP and Council Regulation (EU) 2015/848 on Insolvency Proceedings (Recast) (the "Recast Regulation") will apply. These proceedings will constitute main insolvency proceedings as defined in Article 3 of the Recast Regulation.
- 10.2 These proceedings are COMI proceedings as the Company's main interests are situated within this

jurisdiction.

11 Approval of the proposals

- 11.1 Notice of decision by correspondence is attached at appendix 9. This notice includes details of how you can vote on the acceptance or rejection of the administrator's proposals.
- 11.2 Creditors are also given the opportunity to appoint a creditors' committee and notice to creditors to decide whether to establish a committee is attached at appendix 8. A committee is made up of between three and five representatives of creditors who will then meet me on a regular basis (to be decided by the committee, but no less than every 6 months) to discuss the administration of the Company. If a committee is appointed, then it will be for them to approve any pre-administration costs and expenses and the costs and expenses of the administration. If no committee is appointed, it will be for the general body of creditors to approve my remuneration as Administrator. The enclosed voting form at appendix 10 will enable you to vote on those resolutions and will only be considered in the event that a committee is not formed.

This statement of proposals, delivered on 12 January 2021, will be subject to such modifications as the creditors may approve or impose, subject to the approval of the administrator.

If creditors or members have any queries regarding the proposals or the conduct of the administration in general, they should contact me by writing to 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex, UB8 1JT or by emailing Miss Emily Wise on emily@labr.co.uk.

We strongly recommend that all future communications are by electronic means (by email) and included a notice to receive electronic communications for all further correspondence in this matter. Kindly complete and return the notice to our Emily Wise.

Yours faithfully,



Virgil Harsham Levy
Administrator