

AM03

Notice of administrator's proposals



Companies House

For further information, please
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1 Company details

Company number 0 7 3 4 7 2 7 5

Company name in full T T Developments Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul

Surname Cooper

3 Administrator's address

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Administrator's name ①

Full forename(s) Paul Robert

Surname Appleton

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

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

Qualifying report and administrator's statement ^①



I attach a copy of the qualifying report



I attach a statement of disposal

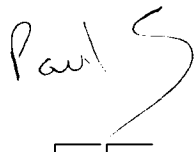
^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature



Signature date

^d

2

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6

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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	Dipesh Gurung									
Company name	Begbies Traynor (London) LLP									
Address	29th Floor									
	40 Bank Street									
Post town	London									
County/Region										
Postcode	E	1	4		5	N	R			
Country										
DX										
Telephone	020 7400 7900									



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

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

T T Developments Ltd (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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 - 1. Remuneration and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	TT Developments Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 14 April 2023
"the administrators", "we", "our", "us"	Paul Cooper of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR and Paul Robert Appleton of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	T T Developments Ltd	
Trading name(s):	N/a	
Date of Incorporation:	16 August 2010	
Company registered number:	07347275	
Company registered office:	c/o Begbies Traynor, 29th Floor, 40 Bank Street, London, E14 5NR	
Former registered office:	Tilford House, Farnham Business Park, Weydon Lane, Farnham, Surrey GU9 8QT	
Trading address(es): (or attach a separate sheet if more than one)	Tilford House, Farnham Business Park, Weydon Lane, Farnham, GU9 8QT	
Principal business activities:	Buying and selling of own real estate	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Simon Marshall	None
	Gerard Michael Louis Waters	None
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	Morgan Karl Harvey Mead	None
Auditors:		
Share capital:	10 Ordinary Shares of £1 each	
Shareholders:	MWR Property (Charles Hill) Limited – 10 Ordinary shares	
Moratorium under Part A1 of the Act:	No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	14 April 2023
Date of resignation:	N/a
Court:	High Court of Justice, Business & Property Courts of E&W, Insolvency & Companies
Court Case Number:	001944 of 2023

Person(s) making appointment / application:	Capitalrise Finance Limited, 7-9 Swallow Street, London W18 4DE (first Qualifying Floating Chargeholder)
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended)

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) 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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated on 16 August 2010 and commenced trading in property development under the stewardship of the previous Directors, Brian and Christine Tubb. The current directors were appointed on 23 December 2021 following a management buy-out and change of ownership structure, which saw Mr and Mrs Tubb resign their directorships the same day.

To facilitate the buy-out, MWR Property (Charles Hill) Limited ("MWR") was incorporated on 6 August 2021 as a special purpose vehicle to acquire a 100% shareholding in the Company. It should be noted that Paul Appleton and I were also appointed Joint Administrators of MWR on 14 April 2023 pursuant to Paragraph 14 of Schedule B1 to the Act. The Company and MWR will be collectively referred to in this report as "the Companies".

The Companies conducted their administrative functions from the head office of connected company, Marshall Eaton Holdings Limited ("ME Holdings"), situated at Tilford House, Farnham Business Park, Weydon Lane, Farnham GU9 8QT. Co-director, Simon Marshall, is the ultimate beneficial owner of Simon Marshall Holdings Limited, which is the parent entity of a wider group of companies, which include ME Holdings and Marshall Eaton Developments Limited (collectively "the Group").

The Company owns the freehold properties at Charles Hill Park, Charles Hill, Tilford, Farnham, Surrey GU10 2AT ("Charles Hill Park"), a greenfield site with a residential development opportunity in the hamlet of Charleshill and set within the surroundings of the Surrey Hills.

Charles Hill Park has planning permission to build a rare collection of five luxury houses set in 27 acres of gated private parkland surrounded by mature woodland, lakes and open common land, and is within an hour of Central London and 10 miles from Farnborough Airport.

Property investment funders, Capitalrise Finance Limited ("Capitalrise"), provided borrowing facilities to MWR to fund the development and its obligations under those facilities were guaranteed by the Company. The total loan facility provided of £15,565,154 was broken down into four drawdown tranches with the requirement for the facilities to be utilised for the following specific purposes:

Facility A: Up to £5,340,000 towards funding the repayment of a loan advanced by the original lender for a previous facility extended to MWR pursuant to a facility agreement dated 23 December 2021.

Facility B: Up to £8,073,460 towards funding project costs of the development of the freehold properties owned at Charles Hill Park under title numbers SY214791, SY656962 and SY734489.

Facility C: Up to £303,354 towards the payment of the Arrangement Fee and the Broker Fee.

Facility D: Up to £1,848,340 towards funding the Interest Capitalisation and the payment of the Exit Fee.

In addition to the above facilities, mezzanine finance of circa £1 million was also obtained to fund the development from Impact Lending Limited ("Impact"). By way of security for the borrowings, the following security was granted incorporating fixed and floating charges over the Companies assets:

Secured Lender	Security	Created	Delivered
CapitalRise Finance Limited	Debenture	23/12/21	30/12/21
Impact Lending Limited*	Debenture	20/06/22	23/06/22

* Pursuant to the provisions of an intercreditor deed dated 20 June 2022, Impact's security is contractually subordinated to that of Capitalrise.

Capitalrise also has a charge over shares in the capital of MWR dated 23 December 2023.

In addition to the aforementioned security, the following corporate and personal guarantees are in place for the borrowings:

Corporate Guarantor	Limited to	Dated
T T Development Limited	Unlimited	23/12/21
Marshall Eaton Developments Limited	£3,891,288*	23/12/21
Marshall Eaton Construction Limited	£3,891,288*	23/12/21
Simon Marshall Holdings Limited	£3,891,288*	23/12/21

Personal Guarantor	Limited to	Dated
Simon Marshall	£3,891,288*	23/12/21
Gerard Michael Louis Waters	£3,891,288*	23/12/21

*plus interest, costs, charges and cost overruns.

Possession of the site was gained in March 2022 but no meaningful progress was made on the development since October of that year. Consequently, the project was not on course to complete until after the repayment date to Capitalrise, which represented an event of default under the terms of the borrowing facilities.

Further events of defaults occurred upon the failure of the Companies to provide a compliance certificate throughout the development and produce management accounts for the quarter ended 31 December 2022, as required. It subsequently transpired that one of the Company's in the Group, Marshall Eaton Developments Limited, had become insolvent and was being placed into Liquidation. This led to increasing concerns over the business operations of the Directors generally and that this could be indicative of the fact that the Group had been overtrading across multiple developments and may not have the resources to continue its projects to completion.

In view of the circumstances, Capitalrise issued MWR with a letter of demand in February 2023 for the repayment of the outstanding liability under the borrowing facilities of £8,198,909 and also called upon the Company's guarantee. The liability comprised of the principal debt of £7,299,903 plus interest, fees and expenses but excluding default interest. Begbies Traynor (London) LLP ("Begbies") was subsequently approached by Capitalrise to advise on the current situation and the options available to enforce its security as the first ranking Qualifying Floating Chargeholder,

Following numerous meetings and discussions with Capitalrise where the following options, amongst others, were considered:

- Appoint a Receiver over the shares in MWR.
- Appoint a Receiver over the freehold properties held by the Company.
- Appoint Administrators over the Companies pursuant to Paragraph 14 to Schedule B1 of the Act.
- Allow the Companies additional time to seek refinancing of the debt.
- Rely upon the Corporate and Personal guarantees provided.

Given the need to take immediate control of the Charles Hill Park and have the wider powers to investigate what transpired within the Companies and how the borrowed funds were utilised, it was recommended that Administration would be the best option in the circumstances. This could be secured relatively quickly, provide the requisite control and protection over Charles Hill Park, whilst also providing certain powers to the Administrators in investigating the affairs of the Companies with a view to securing any potential recoveries for the estate.

In view of the foregoing, Begbies was formally instructed to assist with the formalities to appoint Administrators pursuant to Paragraph 14 to Schedule B1 of the Act. Solicitors, Temple Bright LLP ("Temple Bright"), were engaged to assist with the preparation of the necessary appointment documents and filing of the same at Court.

A Notice of Appointment of Administrators by Capitalrise, as the first ranking Qualifying Floating Chargeholder, was filed with the High Court of Justice, Business and Property Courts of England and Wales, Insolvency & Companies and the appointment of the Joint Administrators were made on 14 April 2023.

5. STATEMENT OF AFFAIRS

On 27 April 2023, a formal notice requesting the Directors to submit a Statement of Affairs ("SoA") pursuant to paragraph 47 of Schedule B1 to the Act was made and was due for submission within 11 days of receipt of the notice. Despite repeated requests, the Directors have failed to provide the Joint Administrators with a completed SoA. It should be noted that the Directors have also failed in their duty to deliver up the Company's books and records notwithstanding numerous requests to do so.

The Directors have been made aware of their statutory obligations under Section 234 of the Act to deliver all company records to the Joint Administrators but, at the time of writing, very limited information has been supplied by the Directors in this regard.

Given the lack of co-operation from the Directors, we have been unable to obtain key financial information at this stage, particularly in respect of the position with HM Revenue & Customs ("HMRC"), as the secondary preferential creditor, and the unsecured creditors of the Company. We have made our own reasonable enquiries insofar as possible to establish the Company's creditors and have also obtained relevant information, from the appointing secured creditor, Capitalrise, where available. Details in respect of these creditors are set out in Section 7 below.

A copy of the Statement of Affairs will be made available to creditors and duly filed at Companies House as and when eventually received from the Directors.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

There have been no receipts or payments during the Administration period. Accordingly, a Receipts and Payments account has not been enclosed with this report.

Accrued Payments

The following expenses have been incurred but not yet paid.

Legal Fees

Temple Bright was instructed to assist in the preparation of the appointment documentation and to deal with the legal aspects to place the Company into Administration. A fixed fee of £1,250 plus VAT, plus disbursements of £50, was incurred for the pre-appointment work undertaken. This pre-appointment fee was settled in full by Capitalrise prior to Administration.

Temple Bright also provided advice in respect of the validity of the security granted in favour of the secured creditors. A fixed fee of £1,100 plus VAT has been incurred in this regard and is to be settled as an expense of the Administration.

Temple Bright was chosen because of its expertise in insolvency related matters and after taking into account the size and complexity of the legal issues in this matter.

Specific Bond

The Specific Bond is the cost of the insurance, based on the level of realisations by us as required by the Insolvency Practitioners Regulations 2005. A sum of £13 has been incurred in this respect.

Statutory Advertising

The sum of £109.08 plus VAT has been incurred in respect of the costs of publishing statutory notices in the London Gazette of the Joint Administrators' appointment.

Postage Costs

A sum of £11.88 was incurred in respect of costs incurred for printing and mailing of correspondence.

Travel

Travel costs and subsistence have been incurred by Begbies for our staff to attend the site following our appointment. The cost incurred in this regard totals £107.91 and has yet to be re-charged.

Insurance

Eddisons Insurance Services Limited, an entity part of the Begbies Group, was instructed to provide insurance cover over the freehold land and properties at Charles Hill Park. The amount of the premium payable has not yet been determined.

Work undertaken by the Administrators and their staff

The manner in which the affairs of the Company, together with its parent, MWR, have been managed since the appointment of the Joint Administrators are set out below.

Following appointment, immediate contact was made with the Directors of the Companies to inform them of the situation and advise that their powers of management had ceased as a result of the Administration.

Members of my team attended the Charles Hill Park to secure control of the site, assess the condition of the premises and arrange for the locks to main entrance gate to be changed. Eddisons Insurance Services Limited, an entity part of the Begbies Group, was instructed to take out the appropriate open cover insurance for the site.

Capitalrise had previously engaged the services of estate agents, Knight Frank LLP ("KF"), to provide a valuation of the development in August 2021. Based on their prior involvement and knowledge of the development, KF was instructed to provide an up-to-date valuation of Charles Hill Park and assist with conducting a marketing process and assist in the negotiation for a sale of the same with prospective buyers.

A number of parties made contact with my office to express an interest in acquiring the site and the details for those interested parties were forwarded to KF to make contact with as soon as the marketing process had commenced.

Given the high level of interest and restricted timescales involved, the strategy adopted was a 3-4 weeks' marketing campaign with a view to confirming a preferred bidder after that period. To conform to this timescale, KF required an extensive list of information in relation to Charles Hill Park and, specifically, the present status of the development in order to produce a marketing brochure for prospective purchasers and to advertise on its various online media platforms. Requests were made to the Directors for this information and for the books and records in general. However, at the time of writing, they have failed fully co-operate with this request and, instead, Capitalrise has provided the information insofar as possible.

The marketing and sale process is now underway and KF are in communications with a number of interested parties. An update on the outcome of sale process will be provided in the Joint Administrators next report to creditors.

The Joint Administrators have throughout the proceedings to date, held meetings and conference calls with the secured creditors, Capitalrise and Impact, to keep both informed on the progress of the proceedings and the strategy adopted to achieve the objective of the Administration being pursued.

The time spent by the Joint Administrators and their staff in undertaking the work detailed above is to maximise realisations achieved for Charles Hill Park resulting a direct financial benefit to Capitalrise and, potentially Impact by way of an enhanced return pursuant to their security.

In addition to the work of developing the strategy to maximise realisations to achieve the purpose of the Administration, the Joint Administrators and their staff have also undertaken, inter alia, the following tasks:-

- Filing the notice of our appointment with the Registrar of Companies and serving formal notice on the Company.
- Serving formal notice of the appointment of Joint Administrators on the second ranking Qualifying Floating Chargeholder, Impact.
- As soon as reasonably practicable after appointment, writing to all creditors of the Company notifying them of our appointment. On 17 April 2023, the Directors were requested to delivery up the Company's books and records. Despite numerous follow up requests made by email, letters and by phone, the records have not been delivered to the Joint Administrators. As detailed earlier, a request for the submission of a Statement of Affairs was made on 27 April 2023. However, the Directors have, thus far, failed to comply with their duty to provide this to the Joint Administrators. Therefore, all reasonable enquiries were made to ascertain the creditor position and formal notice of our appointment as Joint Administrators was sent to those creditors whose names and addresses we are aware on 19 May 2023.
- Arrangements were made for the Joint Administrators' bank account to be set-up with Barclays Bank Plc.
- Extensive enquiries were made of the Directors regarding the location of the Company's physical and electronic books and records, albeit these have yet to be received.
- Questionnaires were issued to the Directors on 27 April 2023 but these have yet to be returned to this office. However, completed questionnaires have been received from the two former Directors, Brian and Christine Tubb.
- An application was issued for the Joint Administrators' bonds, as requested by the Insolvency Practitioners Regulations 2005.
- The necessary statutory advertisements in respect of the Administration proceedings published in the London Gazette.
- Various searches at Companies House were undertaken to obtain statutory information on the Company.
- Made several requests for a Statement of Affairs to be submitted by the Directors of the Company.
- Formulating the Joint Administrators' Report and Proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Act.
- Other statutory and administrative duties.

This list of work has no direct financial benefit to creditors but is necessary to be undertaken in accordance with the Act, Rules and current best practice guidelines.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment are as follows:

Secured creditors

As detailed in Section 4 above, Capitalrise provided borrowing facilities to MWR to fund the development of Charles Hill Park and the Company provided a guarantee for the borrowings. The outstanding indebtedness to Capitalrise at the date of the letter of demand in February 2023 totalled £8,198,909, which comprises the principal debt of £7,299,903 plus interest, fees and expenses, but excluding default interest. By way of security, Capitalrise was granted a Debenture, incorporating fixed and floating charges, dated and registered on 23 and 30 December 2021, respectively.

In addition to the above, Impact provided mezzanine finance to assist with funding the development. It is understood that there is a current indebtedness to Impact of circa £1 million. By way of security, Impact was granted a Debenture, incorporating fixed and floating charges, dated and registered on 20 and 23 June 2022, respectively. Pursuant to the provisions of an intercreditor deed dated 20 June 2022, Impact's security is subordinated to that of Capitalrise.

Preferential creditors

The Company has no employees. Accordingly, there are no preferential creditors in the proceedings.

Secondary preferential creditors

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

Due to the lack of co-operation from the Directors and their failure to submit a Statement of Affairs with list of creditors, we have not been able to obtain any information in respect of the liabilities to HMRC, if any.

Given there are no employees, there is not expected to be any liabilities in respect of PAYE and NIC. However, the position in respect of VAT is currently unknown, albeit there is not anticipated to be any outstanding liabilities in this respect given that the Company had not traded and is understood not to have generated any turnover.

In view of the above, it is unlikely that there will be a secondary preferential claim issued by HMRC but further information in this regard will be provided once obtained.

Unsecured creditors

As previously advised, no information has been provided by the Directors in respect of the Company's unsecured creditors. In the absence of the same, the Joint Administrators have made all reasonable enquiries of their own to ascertain the creditor position and in this respect have become aware of claims of unsecured creditors totalling £43,854.

Based on realisations to date and estimated future realisations, we estimate an outcome for each class of the Company's creditor as follows:

Secured Creditors

It is too early at this stage to give an opinion on the outcome to the secured creditors. This will be dependent on the level of the realisation achieved for the sale of Charles Hill Park, which is subject to the secured creditors' fixed charge. Based on current information, there is a good prospect that the debt to Capitalrise will

be satisfied in full and that a surplus may become available to distribute to the secondary ranking secured creditor, Impact. However, the quantum of such distribution, if any, is currently uncertain.

Preferential creditors

There are no preferential creditors in the proceedings.

Secondary preferential creditors

The Directors have failed to provide any information in respect of liabilities to HMRC as the secondary preferential creditor. However, for the reasons stated above, it is not anticipated that there will be a secondary preferential claim in the proceedings but further information in this respect will be provided once obtained.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

We do not anticipate there will be funds available for distribution to the Company's unsecured creditors by virtue of the prescribed part due to the level of floating charge costs and other Administration expenses, which are paid in order of priority. Consequently, the net property is estimated to be nil.

Unsecured creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of Administration on limitation periods under the Limitation Act 1980

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

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the Administration, which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act, as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b) and, consequently, the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

It is not reasonably practicable to achieve objective 3(1)(a), i.e. rescuing the Company as a going concern as this would, in all likelihood, necessitate paying all creditors in full and the level of accrued debt to the two secured creditors are far too high. Furthermore, there may be outstanding liabilities to HMRC, as secondary preferential creditor, and also unsecured creditors, albeit the extent of these liabilities, if any, are currently unknown due to the failure of the Directors to provide a list of creditors.

It is not reasonably practicable to achieve objective 3(1)(b) i.e. achieving a better result for the Company's creditors as a whole than would be likely in a winding-up as there is anticipated to be insufficient floating charge asset realisations to satisfy, in full, the debts of the secured creditors, the secondary preferential creditor (if any) and the costs/expenses of the Administration, to enable a dividend to become payable to unsecured creditors of the Company, whether via the prescribed part or otherwise.

Details of proposals

In order that the purpose of the Administration may be fully achieved, we propose to remain in office as Joint Administrators in order to conclude the realisation of Charles Hill Park and investigate the affairs of the Companies with a view to securing any potential recoveries for the estate. The principal matters to deal with in this respect are:

- Concluding a sale of Charles Hill Park.
- Establishing if there are any other company assets of the estate as soon as the books and records are obtained from the Directors.
- Reviewing the records to ascertain any possible actions and/or claims against the Directors or other parties, which could be brought for the benefit of creditors.
- Investigating the concerns raised regarding the manner in which the funds from the borrowing facilities were utilised by the Directors.
- If appropriate, pursue any claims that the Company may have under the Companies Acts 1985 and 2006 or the Act. The Joint Administrators are required, within three months of their appointment, to submit a return to the Department for Business, Energy & Industrial Strategy on the conduct of all persons, who have acted as either Directors or Shadow Directors of the Company during the period of three years ending on the date of the Joint Administrators' appointment. To facilitate the preparation of that return, and our enquiries into the Company's affairs, creditors are urged to provide to this office any information on any matters of concern,
- Considering the tax implications on the sale of Charles Hill Park and any other assets, e.g. chargeable gains.
- Addressing and discharging all post-appointment Administration expenses.
- Acknowledging and dealing with the claims and enquiries of creditors, as appropriate.

The work to be undertaken by the Joint Administrators and their staff in finalising a sale of Charles Hill Park will result in a direct financial benefit as it will enable a dividend distribution to the secured creditors, thereby achieving the statutory purpose of the Administration. Any recoveries made from investigations into the affairs of the Companies may result in a direct financial benefit by way of further distributions to the secured creditors and, possibly, any secondary preferential creditor claim and/or unsecured creditors via virtue of the prescribed part.

Other matters that are required to be dealt with during the Administration that may not have any financial impact on the creditors are as follows:

- Quarterly case reviews and monthly bond reviews.
- Dealing with administrative taxation matters, such as VAT returns, corporation tax returns and any matters relating to withholding tax.
- Undertaking statutory reporting requirements on a 6-monthly basis and filing with the necessary authorities.
- Dealing with ongoing enquiries from creditors and shareholders.
- Dealing with all closure formalities and final report.

Following these events, we propose to finalise distributions to secured creditors and, thereafter, exit the Administration.

Exit from Administration

Dissolution

On present information, we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from Administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company. However, it may transpire that it is not possible to finalise the Administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may, therefore, become necessary at some future time for us to seek creditor consent to extending the period of the Administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the Administration can be fully achieved.

In the alternative, if it ultimately transpires that there are indeed surplus funds to enable a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on our application, we propose to deliver a notice of moving from Administration to Creditors' Voluntary Liquidation to the Registrar of Companies. Likewise, this will be the case if it becomes apparent there are matters for enquiry concerning the Company's affairs, which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or

(b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals, we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered Administration, we carried out work consisting of assessing the financial position of the Company, advising the secured creditor on the options available and the recommended course of action. This ultimately led to a formal agreement to place the Company into Administration. The work was carried out pursuant to a letter of engagement dated 15 March 2023 ("the Agreement"). The Agreement provided for the payment of our fees and the discharge of expenses incurred by us in carrying out the work in the pre-appointment period (collectively referred to as "the pre-administration costs").

The work was carried out before the Company entered Administration in order to assess the financial position of the Company and strategy of the Administration prior to the appointment. We consider that the work has furthered the achievement of the objective of the Administration being pursued, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the work	Begbies Traynor	7,500	1,500	9,000
Legal Costs	Temple Bright	1,250	250	1,500
Legal Disbursements (Court fee)	Temple Bright	50	-	50
TOTAL PRE-ADMINISTRATION COSTS		8,800	1,750	10,550

It should be noted that all pre-administration costs were discharged in full by the secured creditor, Capitalrise, before the Company entered Administration. Accordingly, we are not seeking approval to any pre-appointment costs as an expense of the Administration.

10. REMUNERATION AND EXPENSES

Remuneration

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what we believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

We propose that the basis of our remuneration be fixed on a mixture of the various bases as detailed in Appendix 1.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part fund of any net floating charge property). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. There are no known relationships which would give rise to a conflict of interest in this case.

Details of how the Administrators are proposing to be remunerated, together with details of the work that the Administrators consider that they will need to undertake to administer the Administration, are set out at Appendix 1.

Expenses

We propose that expenses for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 1. These expenses will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 1.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company, we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the Administration or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention, please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the Administration of the Company and potential recoveries for the estate in this respect, albeit this has been limited due to the non-supply of the books and records to date.

Deemed delivery

These proposals will be deemed to have been delivered on 31 May 2023.

Use of personal information

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

Right to request further information

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

Right to make an application to court

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

12. CONCLUSION

As detailed in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part).

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 12 June 2023. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the Administration, or at the conclusion of the Administration, whichever is the sooner.



Paul Cooper
Joint Administrator

Date: 26 May 2023

REMUNERATION AND EXPENSES

Total time spent to 26 May 2023 on this assignment amounts to 60 hours and 6 minutes at an average composite rate of £443 per hour resulting in total time costs to 26 May 2023 of £26,635.

To assist creditors in determining this matter, the following further information appears in this appendix:

- (A) Begbies Traynor (London) LLP's charging policy
- (B) Summary of work to be undertaken, payments and expenses
- (C) Table of time spent and charge-out value
- (D) Details of how the Administrators are proposing to be remunerated and Administrators' fees estimate
- (E) Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

APPENDIX 1(A)

BEGBIES TRAYNOR CHARGING POLICYINTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fees estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest.

Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses, which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £[insert] inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

General Office Overheads

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

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the 29th Floor, 40 Bank Street, London E14 5NR office as at the date of this report are as follows:

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 – until further notice
Consultant/Partner	690
Director	580
Senior Manager	500
Manager	475
Assistant Manager	385
Senior Administrator	340
Administrator	260
Trainee Administrator	190
Support	175

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

As detailed above, time is recorded in 6-minute units.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

T T Developments Ltd

SUMMARY OF WORK TO BE UNDERTAKEN, PAYMENTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached at Appendix 1 and Statement of Proposals, is intended to provide sufficient information to enable the body responsible for the approval of our fees and the payment of certain expenses to make an informed judgement about the reasonableness of our request for approval of the same.

What work has been done in the period of the report since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors we have used the headings from our Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the Administration. We are also seeking an element of our post appointment remuneration to be drawn on a percentage basis, details of which are set out in Appendix 1(D).

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been and will be undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been and will be done, why it is necessary and what financial benefit (if any) the work will provide to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. The details below relate to the work undertaken in the period of the report only and should be read in conjunction with the matters highlighted in the report, mainly in sections 5 and 6.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case, we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The following administrative work will continue to be carried out until the Administration is concluded to generally manage and progress the case. As administrative tasks, this work has no financial benefit to Creditors, but must be carried out in all Administrations.

- Maintaining internal case management folders, both digital and paper;
- Preparing strategy notes, file notes and meeting notes, as necessary;
- Capturing the Company's data on our internal electronic case management system and maintaining up to date information; and
- Undertaking regular reviews to ensure case progression and files are kept up to date.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the Administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

Over the remaining duration of the Administration, we anticipate having to undertake, inter alia, the following:

- Preparing progress reports every six months and filing the same with Companies House;
- Monitoring any objections to the deemed approval of the Statement of Proposals; and
- Seeking approval of the basis of the Joint Administrators' remuneration.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

Investigations shall be made into the concerns raised by the secured creditor regarding the manner in which the funds from the borrowing facilities were utilised by the Company and its parent, MWR, and whether these were used for the specific purposes intended, as set out in terms of the borrowing facilities. Due to the lack of cooperation from the Directors to date and their failure to deliver up the books and records, there is very limited information available at this time. Consequently, additional enquiries will need to be made to retrieve company information where available and subsequent investigations may uncover unknown assets, possible actions and/or claims against the Directors or other parties, which could be brought for the benefit of creditors. Dependent on the findings of our investigations and if further work is required to secure any recoveries for the estate, there is a possibility that a further fee estimate will be required because of the likely time/costs to be incurred in this regard. In such event, approval to a further fee estimate will be sought from the relevant body of creditors responsible for approving remuneration.

Any financial benefit to creditors in carrying out the above work is unclear at present. However, creditors will receive updates on these matters in our progress reports.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this, we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales we may also require assistance with debt collection exercises.

All work carried out in respect of asset realisations is for the purpose of realising property and assets for the benefit of the creditors generally.

The details in respect of asset realisations and sale process have been highlighted in Sections 5 and 6 of the Proposals.

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

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

The government will initially review and make payment of the claims of any employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

In this case, we have two secured creditors (with fixed and floating charges), potentially a secondary preferential creditor (HMRC) and unsecured creditors. Time will be spent dealing with the queries of the various classes of creditor and adjudicating on their respective claims where applicable.

Further details in respect of the Company's creditors and the estimated outcome to each are set out in Section 7 of the Proposals.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Pre Administration costs

Details of the pre appointment work carried out, together with our costs, are found within the Proposal document.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

The further work remaining to be completed in respect of this case has been detailed in Section 8 of the Proposals.

How much will this further work cost?

The further work has always been anticipated, but at this point in the proceedings, it has not yet been carried out or completed. As you will have seen, this work is necessary in order that I may complete the Administration as envisaged. The cost of completing this work is not anticipated to exceed any amounts that I am seeking approval for at this point.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at Appendix 1. It should be noted that this is only an estimate and that it is difficult to predict the likely fees of agents and solicitors, together with any legal proceedings, especially as it is unclear at this stage whether any proceedings will be necessary.

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

Excluding the costs for realising the freehold property, which is being sought on a percentage basis (see Appendix 1(D)), we estimate that the cost of administering the case will be in the region of £69,005 and, consequently, we are seeking approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the Administration, it is difficult to estimate the final level of realisations in this case, if any.

SIP9 T T Developments Ltd - Administration - 23TT013.ADM : Time Costs Analysis From 14/04/2023 To 26/05/2023

Staff Grade		Consultant / Partner	Snr Mngr	Asst Mngr	Snr Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.0	2.4	1.7	2.5			7.6	3,394.50	446.64
	Administration		3.0		6.7	3.5		13.2	4,443.00	336.59
	Total for General Case Administration and Planning:	1.0	5.4	1.7	9.2	3.5		20.8	7,837.50	376.80
Compliance with the Insolvency Act, Rules and best practice	Appointment		2.9		4.2			7.1	2,878.00	405.35
	Banking and Bonding				0.4		1.3	1.7	363.50	213.82
	Case Closure									0.00
	Statutory reporting and statement of affairs		16.7		3.0			19.7	9,370.00	475.63
	Total for Compliance with the Insolvency Act, Rules and best practice:		19.6		7.6		1.3	28.5	12,611.50	442.51
Investigations	CDDA and investigations	4.0	1.9		0.7			6.6	3,948.00	598.18
	Total for Investigations:	4.0	1.9		0.7			6.6	3,948.00	598.18
Realisation of assets	Debt collection									0.00
	Property, business and asset sales (exc. Freehold Property)									0.00
	Retention of Title/Third party assets									0.00
	Total for Realisation of assets:									0.00
Trading	Trading									0.00
	Total for Trading:									0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured	1.4	1.5		0.4			3.3	1,852.00	561.21
	Others				0.4			0.4	136.00	340.00
	Creditors committee									0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.4	1.5		0.8			3.7	1,988.00	537.30
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors									0.00
	Meetings									0.00
	Other									0.00
	Tax		0.5					0.5	250.00	500.00
	Litigation									0.00
	Total for Other matters:		0.5					0.5	250.00	500.00
	Total hours by staff grade:	6.4	28.9	1.7	18.3	3.5	1.3	60.1		
	Total time cost by staff grade £:	4,416.00	14,450.00	654.50	6,222.00	665.00	227.50		26,635.00	
	Average hourly rate £:	690.00	500.00	385.00	340.00	190.00	175.00			443.18
	Total fees drawn to date £:								0.00	

APPENDIX 1(D)

T T DEVELOPMENTS LTD

**DETAILS OF HOW THE ADMINISTRATORS ARE SEEKING TO BE REMUNERATED AND
ADMINISTRATORS' FEE ESTIMATE**

Further to our appointment, we are seeking creditors approval to be remunerated on one, or a mixture of the bases allowed under the Insolvency (England and Wales) Rules 2016. These are (a) as a set amount, the 'Fixed Fee', (b) as a percentage of the value of the assets realised and funds distributed, (c) on a time costs basis.

In this case, we are seeking that our remuneration be agreed on the on the following bases:

Percentage Basis

We are seeking approval to an element of our post appointment remuneration to be drawn on a percentage basis in relation to the following freehold property:

Nature of asset	Percentage being sought (%)	Estimated fee based upon the percentage being sought
Charles Hill Park, Charles Hill, Tilford, Farnham, Surrey GU10 2AT	1.00%	Estimated to range between £70,000 - £95,000

A percentage fee is requested for this work (rather than any other basis) because the sale price will determine the outcome for the secured creditors and preferential creditors, thereby achieving the objective of the Administration. Furthermore, it is unknown how long it will take for the property to be sold. Consequently, it is difficult at this stage to provide an accurate estimate of the time costs to be incurred until the property is realised.

Any work undertaken specifically in relation to the property, which is subject to a fixed charge, is required to be approved by the secured creditor, Capitalrise, as the first ranking fixed chargeholder, and drawn from funds resulting from the realisation of the property. At the outset, a fee structure was agreed with Capitalrise whereby we would receive a percentage of gross realisations generated from the sale of the property.

Time Costs Basis

Prior to creditors determining the basis or bases upon which we are to be remunerated, we are obliged to produce a fee estimate in relation to those aspects of the case where we are seeking to charge on a time costs basis.

We are required to provide the estimate to each creditor of whose details we are aware so that it can be approved at the same time as the bases of our remuneration. The hourly charge-out rates set out in the charging policy which accompanies this information will apply to any aspect of the work that it is proposed will be charged on a time costs basis. Please note that in the table below, blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	55.0	19,305.00	351.00
Compliance with the Insolvency Act, Rules and best practice	50.00	19,080.00	381.60
Investigations	37.00	12,910.00	379.71
Realisation of assets (excludes freehold property)	7.00	3,050.00	435.21
Trading	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	22.00	8,880.00	403.64
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	14.00	5,780.00	412.86
Total hours	182.00		
Total time costs		69,005.00	
Overall average hourly rate £			379.15

In relation to those elements of the work that we intend to undertake and charge on a time cost basis, this estimate of time costs is expected to produce a fair and reasonable reflection of the work given that regardless of the outcome of the property sale, we request to be compensated for an element of work in which we are bound by statute to undertake but which may not necessarily result in a financial benefit to creditors. Details of such work are set out in the proposals.

For the avoidance of any doubt, the above estimate relates to the period of the Administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the Administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation below.

What is the anticipated payment for administering the case?

In relation to our proposed bases of remuneration, we are aware that, with exception of the freehold property, there could be limited asset realisations, if any, and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too, limited to the level that the creditors approve.

Arriving at our fee estimates

The cost of the process at this early stage is uncertain, but the fee estimate that I have produced provides a general overview of the likely costs.

The estimates are produced by looking at historical cases of a similar nature, (asset value, number of creditors, case type and staffing levels). The estimates are then made case specific by considering the depth of investigations needed, whether significant time will be spent on adjudicating claims etc.

As the case progresses it may become apparent that the initial fee estimate will be exceeded, for example if any unforeseen circumstances arise which result in additional and unexpected costs being incurred. If this scenario occurs, we will seek creditor approval of a further fees estimate, providing full details of the circumstances at the time.

The percentage basis that we are seeking has been arrived at based on the nature and complexity of the case as well as the nature of the assets involved, as can be demonstrated above. We have also looked at previous administrations of a similar nature in order to ensure that the percentage proposed represents a fair and reasonable reflection of the work that we expect to carry out. This fee does not include any additional expenses which it may be necessary to incur in preparing the statement of affairs and seeking a decision of the creditors. In the event that this is necessary, these will be disclosed separately.

Summary of the work to be undertaken in the Administration

A summary of the work to be undertaken is set out in Appendix 1(B) and separated into work category descriptions in order for creditors to understand the statutory and general duties involved during the course of the Administration. The nature and extent of the work to be undertaken is also set out in detail in the body of the Proposals.

Dated: 26 May 2023

APPENDIX 1(E)

T T DEVELOPMENTS LTD

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

No.	Type of expense	Description	Estimate £
1.	Advertisements	Statutory advertisements in respect of the Administrators appointment, dividends etc.	£220
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	£50
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	£1,000 - £3,000
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	£250
5.	Property agent's fees and disbursements	Knight Frank LLP – Sales Commission of 1% plus VAT of gross sale price of freehold property	£70,000 - £90,000
6.	Legal fees and disbursements	Temple Bright LLP – Review of validity of security, conveyancing services and any legal services that may be required to assist in any litigation should action be required following investigations into the Company's affairs and any potential misappropriation of funds under the borrowing facilities.	£5,000 - £30,000
7.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity.	£0 - £5,000
8.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate.	£100

9.	Postage	Mailing of circulars and letters to creditors.	£100
10.	Travel costs and subsistence	Travel and sundry expenses to attend the freehold property	£250

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.