

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number

Company name in full

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① **Other administrator**

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② **Other administrator**

Use this section to tell us about
another administrator.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

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

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Surname

3 Insolvency practitioner's address

Building name/number

Street

Post town

County/Region

Postcode

Country

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	d	m	m	y	y	y	y
To date	d	d	m	m	y	y	y	y

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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AM10

Notice of administrator's progress report

Presenter information

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

TO ALL KNOWN CREDITORS

25 June 2024

Email:
SevenTechnologies@parthenon.ey.com

Dear Sirs

Seven Technologies Group Limited (in Administration) (“the Company”)
High Court of Justice, Business and Property Courts of England and Wales in Leeds,
Insolvency and Companies List (ChD) Reference: CR-2022-LDS-000963

I write in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration.

This report covers the period from 1 December 2023 to 31 May 2024. This report should be read in conjunction with the Joint Administrators’ Proposals dated 25 January 2023 (“the Proposals”), the Progress Report dated 26 June 2023 and the Progress Report dated 13 December 2023.

Statutory information about the Company, the Administration and the office holders is provided at Appendix 1.

Summary of progress since the Proposals

Distribution to the Company’s employee preferential creditors

As set out in further detail below, during the period of the report, the Administrators invited the employee related preferential creditors to submit their claims against the Company and subsequently a dividend of 100p in the £ was paid to preferential creditors on 20 June 2024.

As the distribution payment was made after the period of this report, the payment is not reflected in the receipts and payments account at Appendix 2.

Sale of Stock and Plant & Machinery

Following their appointment, the Administrators instructed asset agents to conduct auctions in respect of certain of the Company’s stock and plant & machinery assets, which resulted in a public auction taking place and realisations totalling £329,723 in the prior periods.

During the period of this report the Company received a balance from the auctioneers, which related the Company’s residual stock and IT assets. This resulted in realisations totalling £1,890.

No further realisations from the sale of stock or plant & machinery are anticipated.

Debtors

During the period of the progress report, the Company received balances totalling £40,271 in relation to the Company’s trade book debts.

These receipts comprised of two balances of €23,097.36 and £20,767.42 which had been paid into the Company's pre-appointment bank accounts by trade debtors during the period prior to this report, with these pre-appointment accounts being swept to the Administrators' post-appointment account during the period of this report.

The Administrators are not aware of any further collectable debtor balances and therefore do not anticipate any further realisations in this regard.

Extension

The Administration of the Company was extended in the previous report period by consent of the Company's creditors on 27 October 2023 for a period of 12 months until 30 November 2024.

It is not currently anticipated that a further extension of the Administration will be required. However, should this be necessary, the Administrators will seek the approval of the relevant parties as appropriate.

Receipts and payments account

A summary of our receipts and payments for the period from 1 December 2023 to 31 May 2024 is attached at Appendix 2. Please note, this does not reflect estimated future realisations or costs.

Investigations

We have concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986, with the necessary return made to the Directors' Conduct Reporting Service.

The Joint Administrators can advise that no investigations are continuing in this respect and no third-party funding has been provided.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis by a resolution of the creditors on 22 March 2023. A further resolution regarding the Joint Administrators remuneration was also passed by a resolution of the creditors on 24 November 2023.

The Administrators' remuneration has exceeded the original fee estimate. The reasons for this were set out in detail in the Administrators' Notice of decision procedure regarding the revision of the Administrators' Remuneration dated 17 October 2023.

In summary, the reasons for this include, inter alia, significant levels of additional work in relation to matters that were unforeseen in relation to the collection of the Company's debtor book, completing certain high value orders and realising the Company's plant, machinery and stock assets which were sensitive in nature. The increase in the remuneration estimate from £538,000 plus VAT to £598,587 plus VAT was approved by a resolution of the creditors on 24 November 2023.

During the period covered by this report, we have incurred time costs of £120,690, bringing total costs incurred to date to £998,187. Of this sum, remuneration of £598,587 has been paid to date. An analysis of the time spent, and a comparison with the fee estimate dated 12 October 2023 is attached as Appendix 4 to this report.

Whilst our time costs have exceeded the amount provided for in the fee estimate, we do not anticipate seeking any increase to the current the fee estimate, nor will the Administrators seek to draw any further remuneration.

Joint administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £6,066 plus VAT, bringing total expenses to £277,447 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 3 of this report.

An explanation where costs for the period have resulted in the total costs exceeding the original expenses estimate is given below:

- ▶ IT service costs (£560): Costs incurred in relation IT utility services which were required during the period of occupation at the premises in Lisburn to facilitate the Administrators in conducting their duties.
- ▶ Agent's costs (£3,326): Additional costs incurred in relation to the sale of the Company's residual stock and IT assets.
- ▶ Sundry Costs (£2,176): Bank administration and transfer charges that were incurred in relation to the Company's pre-appointment bank account during the period of the Administration.

Pre-administration costs

As reported within the Proposals, the Joint Administrators of the Company incurred costs of £15,142 (plus VAT) in connection with their pre-Administration legal work. These payments were approved by a resolution of creditors on 22 March 2023 under Rule 3.52 and were settled in the period prior to this report.

Distributions to creditors

Secured Creditors

Based on the Statement of Affairs, at the date of appointment the Company owed c.£3.2m to its secured creditors by way of a guarantee provided in respect of secured funding to Seven Technologies Holdings Limited, which was subject to accruing interest and charges

- YFM had secured lending at the date of appointment of c.£2.7m.
- There was also a sum of c.£0.4m owed to Whiterock at the date of appointment.

As previously advised, distributions of £380,000 were made to the secured creditors in the period prior to this report relating to the sale of the Company's intellectual property.

No further distributions have been made during this period and no further distributions are anticipated. We therefore continue to anticipate that the secured creditors of the Company will suffer a shortfall against their debts.

Preferential Creditors

The Directors' Statement of Affairs estimates that preferential creditors total c.£570,000 relating to unpaid wages and holiday pay, as well as secondary preferential claims from HMRC in respect of claims for VAT and PAYE.

In the period of this report, we invited the employee related preferential creditors to submit their claims against the Company by 24 April 2024 and have since received and agreed claims totalling £105,966 in respect of arrears of wages and accrued holiday pay. On 20 June 2024, a dividend of 100p in the £ was paid to the employee preferential creditors.

As this payment was made outside the period of the report, this payment is not reflected in the receipts and payments account at Appendix 2, but will be included in the next progress report.

Based on the quantum of creditors outlined in the Company's Statement of Affairs, it is estimated that the dividend available in respect of the secondary preferential claims may be c.60p in the £.

Non-preferential creditors

Creditor claims are continuing to be submitted. It is estimated that total non-preferential claims will be in the region of c.£1.9m, which primarily relates to trade creditors and accruals.

It is not envisaged that there will be sufficient realisation to enable a distribution to the non-preferential Creditors.

Remaining work

The Joint Administrators will continue to manage the affairs, business and property of the Company to achieve the purpose of the Administration. Future tasks will include, but may not be limited to, the following:

- ▶ Dealing with preferential creditor claims and making a distribution to the preferential creditors

- ▶ Dealing with unsecured creditor queries
- ▶ If the Joint Administrators deemed appropriate, to seek an extension and/or further extensions to the Administration from the Court
- ▶ Dealing with corporation tax and VAT matters, including filing statutory returns.
- ▶ Dealing with statutory reporting and compliance obligations
- ▶ Finalising the Administration, including payments of all Administration period liabilities
- ▶ Any other actions required to be undertaken to fulfil the purpose of the Administration

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
for the Company



J P Sumpton
Joint Administrator

J P Sumpton, A S Dolliver and J Robinson are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association. As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administration.

The affairs, business and property of the Company are being managed by the Joint Administrators, J P Sumpton, A S Dolliver and J Robinson, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix 1

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales in Leeds, Insolvency and Companies List (ChD)
Court reference:	CR-2022-LDS-000963
Registered name of the company:	Seven Technologies Group Limited
Registered office address of the company:	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, West Yorkshire, LS11 5QR
Registered number:	04797081
Country of incorporation (for a company incorporated outside the United Kingdom):	United Kingdom
Date of appointment of the joint administrators:	1 December 2022
Details of any changes of administrator:	None
Full names of the administrators:	Andrew Dolliver, Jonathan Peter Sumpton and Joanne Robinson
Office holder number(s):	15230 / 9201 / 19890
Administrators' address(es):	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, West Yorkshire, LS11 5QR
Telephone number:	0113 298 2224
Name of alternative person to contact with enquiries about the case:	Ben Leach

Appendix 2

Seven Technologies Group Limited (“the Company”) (in Administration)

Summary of Receipts and Payments from 1 December 2023 to 31 May 2024

Estimated to realise as per Directors' Statement of Affairs (£)	Period from 1 Dec 22 to 30 November 23 (£)	Period from 1 December 23 to 31 May 2024 (£)	Period from 1 December 22 to 31 May 2024 (£)	
Fixed charge realisations				
	Fixed charge receipts			
Uncertain	Intellectual Property	400,000	-	400,000
		<u>400,000</u>	<u>-</u>	<u>400,000</u>
	Fixed charge payments			
	Legal Fees	10,000	-	10,000
		<u>10,000</u>	<u>-</u>	<u>10,000</u>
	Fixed charge distributions			
		380,000	-	380,000
		<u>380,000</u>	<u>-</u>	<u>380,000</u>
	Net fixed charge realisations	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Floating charge realisations				
	Trading receipts			
	Sales	111,220	-	111,220
		<u>111,220</u>	<u>-</u>	<u>111,220</u>
	Trading payments			
	Material purchases	7,738	-	7,738
	Employee wages and salaries	6,659	-	6,659
	Consultancy costs	5,000	-	5,000
		<u>19,397</u>	<u>-</u>	<u>19,397</u>
	Net trading realisations	<u>91,822</u>	<u>-</u>	<u>91,822</u>
	Non-trading receipts			
250,000	Plant, Machinery and Stock	329,723	1,890	331,614
500,000	Trade debtors	577,287	40,271	617,558
202,060	Cash on appointment	178,086	161	178,247
	Prepayments	12,204	-	12,204
	Sundry Receipts	15,589	0	15,589
	Bank interest	9,342	4,723	14,065
		<u>1,122,231</u>	<u>47,046</u>	<u>1,169,276</u>
	Non-trading payments			
	Employee wages and salaries	56,606	-	56,606
	Payroll costs	1,155	-	1,155
	Rent, Rates and Utilities	27,652	-	27,652
	Utilities	6,355	-	6,355
	IT Services	65,906	560	66,466
	Statutory costs	86	-	86
	Site clearance costs	8,010	-	8,010
	Storage charges	1,715	-	1,715
	Sundry expenses	4,442	2,176	6,618
	Asset agent fees	22,968	3,326	26,294
	Stock advice fees	2,000	-	2,000
	Bank charges	29	4	33
	Administrators' Remuneration	400,000	198,587	598,587
	Pre-appointment legal fees	15,142	-	15,142
	Legal fees	10,750	-	10,750
	Debtor collection agent fees	18,352	-	18,352
	Professional costs	815	-	815
		<u>641,983</u>	<u>204,653</u>	<u>846,637</u>
	Total net realisations	<u>582,070</u>	<u>(157,607)</u>	<u>424,462</u>
	Represented by:			
	Cash at bank	610,319	(228,765)	381,555
	VAT receivable	(28,250)	71,157	42,908
		<u>582,070</u>	<u>(157,607)</u>	<u>424,462</u>

Notes

- Receipts and payments are stated net of VAT.
- Certain of the stock and work in progress that existed at the date of our appointment has been consumed in the process of trading.
- The receipts and payments account has been prepared on a cash basis and does not reflect any future estimated receipts and payments.

Appendix 3

Seven Technologies Group Limited (“the Company”) (in Administration)

Summary of Joint Administrators’ expenses incurred

Type of Expense	Per estimate dated 25 January 2023	Paid as at 30 November 2023	Paid in period	Outstanding	Total
Category 1 expenses					
Bank charges	500	29	4	-	33
Legal costs (Fixed charge)	-	10,000	-	-	10,000
Legal costs (Floating charge)	15,000	10,750	-	-	10,750
Debt collection costs	20,000	18,352	-	-	18,352
Agent’s costs	27,500	24,968	3,326	-	28,294
Statutory costs	1,000	86	-	-	86
IT service costs	15,000	65,906	560	-	66,466
Insurance	5,000	-	-	-	-
Employee wages and salaries	80,000	63,265	-	-	63,265
Material purchases	-	7,738	-	-	7,738
Consultancy costs	-	5,000	-	-	5,000
Professional costs	1,000	815	-	-	815
Property occupation costs	25,000	34,007	-	-	34,007
Property exit costs	5,000	8,010	-	-	8,010
Storage costs	500	1,715	-	-	1,715
Sundry costs	5,000	4,442	2,176	-	6,618
Payroll costs	-	1,155	-	-	1,155
Category 2 expenses	-	-	-	-	-
Pre-administration costs	15,142	15,142	-	-	15,142
Category 1 disbursements	-	-	-	-	-
Specific penalty bond	400	-	-	-	-
Postage, Printing and Public Notices	1,000	-	-	-	-
Category 2 disbursements	-	-	-	-	-
Mileage	300	-	-	-	-
Total	217,342	271,381	6,066	-	277,447

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder’s remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2

Appendix 4

Seven Technologies Group Limited (“the Company”) (in Administration)

Joint Administrators’ time costs for the period from 1 December 2023 to 31 May 2024 and a comparison with the fee estimate dated 12 October 2023

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	90.8	42,502.0	468	40.7	24,591.50	604	199.6	113,415.5	568
Creditors	108.5	51,110.0	471	7.7	5,485.00	712	157.9	83,350.0	528
Debtors	111.5	75,137.5	674	12.0	11,880.00	990	75.5	68,407.5	906
Employees	56.8	27,976.0	493	26.6	18,920.50	711	152.6	94,846.0	622
Immediate Tasks	96.6	54,069.0	560	-	-	-	65.7	37,193.0	566
Investigation & CDDA	21.7	9,004.5	415	-	-	-	21.7	9,004.5	415
Job Acceptance & Strategy	15.0	10,760.0	717	-	-	-	16.0	10,840.0	678
Legal Issues	21.2	17,838.0	841	-	-	-	11.0	10,890.0	990
Other Assets	182.8	139,360.9	762	-	-	-	312.8	245,942.0	786
Other Matters	25.6	18,830.0	736	-	-	-	38.2	31,150.5	815
Property	32.0	21,520.0	673	2.1	1,995.00	950	29.6	18,532.5	626
Public Relations	4.3	2,690.0	626	-	-	-	-	-	-
Reporting	56.2	37,660.0	670	27.9	25,370.00	909	103.4	92,737.5	897
Retention of Title	4.5	3,892.5	865	-	-	-	4.5	3,892.5	865
Statutory Duties	62.6	38,198.0	610	15.0	5,100.00	340	108.6	50,146.5	462
Trading	31.6	21,139.0	669	-	-	-	31.6	21,139.0	669
VAT & Taxation	47.5	26,900.0	566	49.2	27,348.00	556	190.0	106,699.5	562
Total	969.3	598,587.41	618	221.2	120,690.00	666	1,518.7	998,186.50	657

Summary of Work

The Administrators of the Company have incurred time costs in dealing with inter alia, the following matters:

- ▶ **Accounting and Administration** – includes general administrative duties and overall management of the case, including maintaining the Joint Administrators' treasury and accounting functions, statutory compliance diaries and time costs reporting.
- ▶ **Creditors** – Dealing with creditor claims, correspondence with creditors and answering specific creditor queries.
- ▶ **Debtors** – Assessing, pursuing and monitoring book debts collections.
- ▶ **Employees** – Writing to employees regarding TUPE related matters and dealing with ad-hoc employee enquiries.
- ▶ **Immediate tasks** – relates to carrying out immediate tasks on appointment and duties such as speaking with the Company directors, gathering information to enable the Administrators to carry out their statutory duties, requesting key items of information and carrying out day 1 activities.
- ▶ **Investigation & CDDA** – carrying out investigations required by Statement of Insolvency Practice No. 2, preparation and submission of return to the Directors' Conduct Reporting Service and collecting and storing the Company's accounting records and books and records.
- ▶ **Job acceptance & Strategy** - Matters relating to the appointments and initial planning of the administration strategy, including meetings with the Company's directors and management and formulating and executing the strategy adopted.
- ▶ **Other Assets** – principally relates to realising value from other Company owned stock, plant & machinery and computer & office equipment.
- ▶ **Other Matters** – relates to time spent pursuing the sale of the business and / or assets as well as corresponding with various authorities in relation to sensitive information and assets held by the Company.
- ▶ **Property** – time spent dealing with the leasehold property, liaising with the landlords of properties vacated and other property related matters issues including corresponding with utility and business rate providers in respect of the Company's two leasehold premises.
- ▶ **Reporting** – includes statutory and other reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, the filings of documents at Companies House and regular reporting to the secured creditors.
- ▶ **Retention of title** – the assessment and settlement / rejection of claims for retention of title from the Company's suppliers.
- ▶ **Statutory duties** – time spent in complying with statutory matters including statutory filing with Companies House and the Court, notification of the Joint Administrators' appointment to creditors and members, advertising of the appointment, and writing to creditors pursuant to insolvency legislation.
- ▶ **Trading** - Negotiations with customers and arranging the conversion of work in progress items to facilitate the completion of certain orders.
- ▶ **VAT and taxation** - investigating the Company's VAT and corporation tax position and complying with ongoing requirements.