

TO ALL KNOWN CREDITORS

25 January 2023

Direct line: 0113 298 2338  
SevenTechnologies@parthenon.ey.com

Dear Sirs

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

I write further to my appointment as Joint Administrator of the above Company and attach a copy of my statement of proposals in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986.

As you will note from the proposals, there is no prospect of any funds becoming available to unsecured creditors other than by virtue of the prescribed part. As a consequence, I do not propose to seek a decision on approval of the proposals from creditors.

Creditors whose debts amount to at least 10% of total debts of the Company may requisition a decision (either by a decision procedure or deemed consent procedure) on approval of the proposals if they deliver to me, within 8 business days of the date of delivery of these proposals, a request which fulfils the requirements of Rule 15.18 of the Insolvency (England and Wales) Rules 2016 (the Rules). In accordance with Rule 15.19 of the Rules, I may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until I have received the required sum.

In the event that a decision is not requested by creditors under paragraph 52(2)(c) of the Insolvency Act 1986, the proposals will be deemed to be accepted. The Joint Administrators' remuneration, Category 2 disbursements and unpaid pre-administration costs incurred with a view to the Company entering administration will be agreed with the secured creditors and the preferential creditors in accordance with the provisions of Rule 18.18 and Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

As the joint administrators propose to ask for their remuneration to be fixed on a time-cost basis, they are required to provide creditors with an estimate of the remuneration to be charged and details of expenses incurred and likely to be incurred. The information is attached as an appendix to this letter.

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the administration, please do not hesitate to contact [SevenTechnologies@parthenon.ey.com](mailto:SevenTechnologies@parthenon.ey.com)

Yours faithfully  
for the Company



John Sumpton  
Joint Administrator

Encs: Administrators' statement of proposals  
Fee estimate and details of expenses

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](http://www.ey.com/uk/officeholderprivacy).

**Seven Technologies Group Limited and  
Seven Technologies Holdings Limited  
(both in Administration)**

Administrators' statement of proposals

Pursuant to paragraph 49 of schedule B1 to the  
Insolvency Act 1986 and to paragraph 50 of  
schedule B1 to the Insolvency (Northern Ireland)  
Order 1989

Date of delivery of proposals to creditors 25 January 2023

## Abbreviations

The following abbreviations are used in this report:

<b>7Tech Group</b>	Seven Technologies Group Limited
<b>7Tech Holdings</b>	Seven Technologies Holdings Limited
<b>The Companies</b>	Seven Technologies Group Limited and Seven Technologies Holdings Limited
<b>The Group</b>	Seven Technologies Group Limited, Seven Technologies Holdings Limited and Datong Limited
<b>Act</b>	The Insolvency Act 1986
<b>Rules</b>	The Insolvency (England and Wales) Rules 2016
<b>NI Order</b>	Insolvency (Northern Ireland) Order 1989
<b>NI Rules</b>	Insolvency Rules (Northern Ireland) 1991
<b>Joint Administrators</b>	Jonathan Peter Sumpton, Andrew Dolliver and Joanne Robinson
<b>Barclays</b>	Barclays Bank Plc
<b>Whiterock</b>	NI Growth Loan Fund LP
<b>YFM</b>	YFM Private Equity Limited
<b>EY</b>	Ernst & Young LLP
<b>Directors</b>	The registered directors of 7Tech Group at 1 December 2022 and 7Tech Holdings at 8 December 2022.
<b>Proposals</b>	The entire content of this document including appendices
<b>WIP</b>	Work in progress

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# 1. Introduction, background and circumstances giving rise to the appointment

## 1.1 Introduction

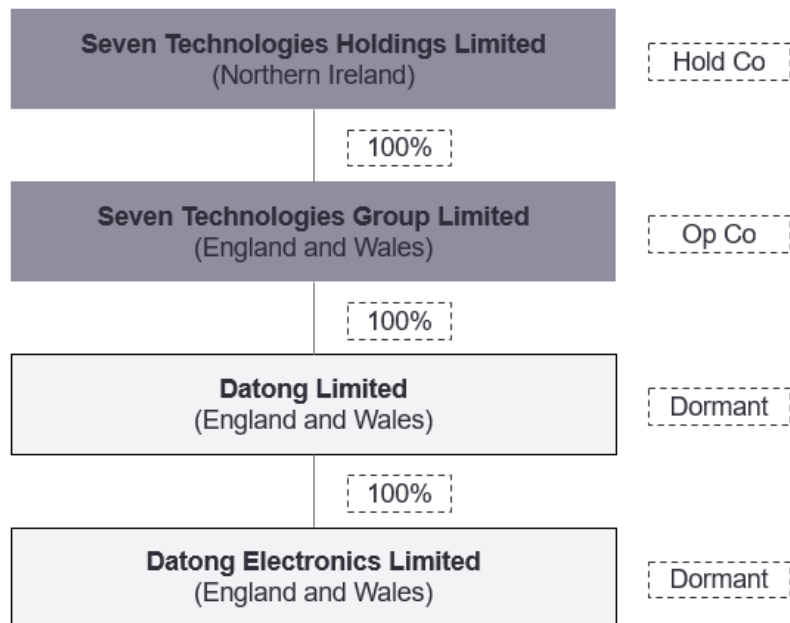
On 1 December 2022 7Tech Group entered Administration and Jonathan Peter Sumpton, Andrew Dolliver and Joanne Robinson were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' statement of proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

Subsequently, on 8 December 2022 7Tech Holdings entered Administration and Jonathan Peter Sumpton, Andrew Dolliver and Joanne Robinson were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' statement of proposals to creditors pursuant to paragraph 50 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 and Rule 2.034 of the Insolvency Rules (Northern Ireland) 1991.

Certain statutory information relating to the Companies and the appointments of the Joint Administrators is provided at Appendix A.

## 1.2 Background

The Companies were part of a wider group made up of one trading entity (7Tech Group), one Holding company (7Tech Holdings) and two dormant entities (Datong Limited and Datong Electronics Limited). A group structure at the date the Companies entered Administration is set out below:



We understand that there was previously a further dormant entity incorporated in the United States (Seven Technologies Inc), but that this entity was struck off prior to the date of the Administrations.

The Companies operated within the defence industry and principally provided intelligence, surveillance, and reconnaissance products, as well as consultancy and research & development services to military, law enforcement and commercial customers.

The Companies operated from its headquarters in Leeds, where the corporate and administrative services were based and Lisburn, Northern Ireland where the majority of the business' manufacturing, testing, evaluation and support services took place. There was also a small satellite office in London.

At the date of the appointments 7Tech Group employed 57 individuals and 7Tech Holdings employed 4.

### 1.2.1 Recent financial performance

The recent financial results of the Companies (on a consolidated basis) can be summarised as follows:

Period year or period ended	Type audited/draft	Turnover £000	Gross profit £000	Gross profit %	EBITDA £000	Net profit after tax £000	Net assets £000
Period to 30 Nov 2022	Draft	780	436	56%	(387)	(467)	(744)
Year to 30 Sep 22	Draft	7,619	2,977	39%	100	(447)	(278)
Year to 30 Sep 21	Draft	9,930	4,078	41%	375	(203)	170

### 1.3 Circumstances giving rise to the appointment of the Joint Administrators

During Covid-19 the Group experienced lower levels of demand and following Covid-19 demand and government budgets have continued to be constrained. In addition, the well documented global supply chain pressures resulted in availability issues and necessitated the redesign of certain products and extended lead-times which impacted both revenue and working capital.

As a result of the trading pressures, the Group identified a potential working capital issue forecast to arise in late 2022, which could not be met from existing sources of funding. As a result, the Directors commenced a sale process in Summer 2022 with the support of a Corporate Finance adviser. A number of parties were approached and interest was expressed by several parties. An offer was received for the shares in the Group and this was being progressed through legal and financial due diligence. Unfortunately, this party withdrew their interest in late November 2022.

The Companies did not have the required cash flow to continue trading and therefore the Directors filed a Notice of Intention to Appointment Administrators on 29 November 2022 (7 Tech Group) and 1 December 2022 (7 Tech Holdings) and Joint Administrators were appointed on 1 and 8 December 2022 respectively as set out above.

## **2. Purpose, conduct and end of administrations**

### **2.1 Purpose of the administrations**

The purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern
- b. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration)
- c. To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

#### **2.1.1 7Tech Group**

It is considered unlikely that objective (a) could be achieved given the lack of available funding to continue trading. Additionally, as noted above, the Directors of 7Tech Group had previously undertaken a sale process which was unsuccessful.

Consequently, the Joint Administrators are pursuing objective (b) to achieve a better result for 7Tech Group's creditors as a whole than would be likely if 7Tech Group were wound up (without first being in Administration). Objective (b) enables the Joint Administrators to utilise the moratorium to afford protection from creditor action and to provide time to realise value from 7Tech Group's asset base to maximise returns to creditors.

#### **2.1.2 7Tech Holdings**

The Joint Administrators are of the opinion that 7Tech Holdings cannot be rescued as a going concern, nor can a better result be achieved for the company's creditors as a whole than would be likely if the company were wound up.

Consequently, the Joint Administrators are pursuing objective (c).

## **2.2 Conduct of the administrations**

### **2.2.1 Sale of business and assets**

The sale process conducted prior to appointment included approaches to a range of potentially interested parties, including trade buyers and financial investors.

As noted above, expressions of interest had been received for the shares in the Companies however it was not possible to conclude a sale.

Accordingly, on appointment, the Joint Administrators approached a number of parties that had previously shown interest and that the Directors believed would be most likely to have an interest in acquiring either whole or part of the business and assets. This did not result in any acceptable offers for all of the business and assets and therefore we are pursuing sales of certain of the assets on a piecemeal basis.

### **2.2.2 Trading / wind down**

The Joint Administrators concluded that due to the lack of funding and uncertain asset realisations it would not be possible to continue trading the business as a going concern. In



addition, certain key contracts held had been terminated prior to Administration and steps taken by customers to recover equipment and information linked to those contracts. Accordingly, 53 employees were made redundant within the first week. A small number of staff were retained to support the Joint Administrators in their duties.

Therefore, the Joint Administrators have sought to undertake the following work:

- Recovering value from certain work in progress (“WIP”) and stock items by completing a small number of high value orders, which has involved a brief period of trading;
- Assessing the position regarding the 7Tech Group trade debtor balances;
- Exploring the potential sale of the intellectual property; and
- Seeking to realise cash at bank and other assets

Due to the sensitive nature of the Companies’ business, the Joint Administrators also retained certain employees for the purpose of appropriately managing and dealing with the Companies’ confidential information. This included the clearance of secure rooms in certain offices in conjunction with the relevant customers where the contents were deemed highly sensitive. In addition, the Joint Administrators have been required to provide detailed information to the UK and US authorities in relation to the collection of sensitive material, secure destruction of other information and ring-fencing of certain items of stock which are deemed sensitive.

7Tech Group continues to occupy its premises in Lisburn, Northern Ireland and has exited and ceased to occupy its sites in Leeds and London.

### **2.2.3 Asset realisations**

#### **7Tech Group**

##### ***Intellectual property***

The Joint Administrators are exploring the sale of the intellectual property, which predominantly relates to bespoke product designs, software and build, test and user guides, which have been developed over many years.

A number of parties have expressed an interest in acquiring the intellectual property and discussions are ongoing in this regard.

We will provide further updates in our future six-monthly progress reports.

##### ***Debtors***

The 7Tech Group Statement of Affairs detailed trade debtors totalling £779,740 at the date of appointment (after a £250,000 bad debt provision which was included in the accounts), with an estimated collectable balance of c.£500,000.

The Joint Administrators have contacted the debtors to pursue recovery and this has resulted in a total of £194,552 being collected and received in the 7Tech Group accounts to date.

Additionally, further receipts of \$255,026 and €23,097.36 have also been collected, albeit these funds remain in the 7Tech Group pre-appointment bank accounts awaiting transfer and are therefore not reflected in the receipts and payments analysis at Appendix C.

The Joint Administrators have engaged an external debt collection agent, One North Group Ltd (“ONG”), to assist with the collection of the residual trade debtors. The Joint Administrators are working with ONG in this regard and are continuing to pursue the remaining outstanding balances.

### ***WIP conversion***

As noted above, there were some customer orders which were close to completion and the completion of these order would maximise value for these items.

The Joint Administrators contacted the customers to engage them in the process and after further discussions and negotiations, were able to agree that certain orders would be completed, with variations to the terms of sale and payment.

To complete the orders the Joint Administrators were required to utilise certain employees for the short period of trading.

These actions have significantly enhanced the realisations from these WIP items compared to the alternatives.

Furthermore, by completing the orders, the Joint Administrators ensured the collection of the trade debtor balance owed from that customer.

### ***Stock***

7Tech Group held stock with a net book value of c.£1,600,000 at the date of appointment, against which the Statement of Affairs indicates a realisable balance of £200,000.

The stock comprises component parts, sub-assemblies, demonstration stock and a small balance of finished goods.

The Joint Administrators have engaged Wilsons Auctions Limited (“Wilsons”) as selling agents to realise the 7Tech Group stock by a combination of public auction and private treaty sales / auctions.

In advance of these sales taking place, both UK and US authorities have required a detailed review of the items located at Lisburn to ensure that any potentially sensitive items are ringfenced and realised appropriately. This process is ongoing and we expect the sales to take place in the coming weeks.

### ***Office Equipment, Fixtures and Motor Vehicles***

The total fixed assets of 7Tech Group, such as office equipment (primarily laptops and IT equipment), fixtures & fitting and motor vehicles (two cars) have a combined book value of c.£390,000. According to the 7Tech Group Statement of Affairs, these assets have a realisable value of c.£50,000.

The Joint Administrators of 7Tech Group have engaged Hilco Appraisal Limited (“Hilco”) to sell the fixed assets in the Leeds and London offices. These sales have now taken place, with proceeds before associated costs totalling £18,750.

At the date of this report, Hilco are in the process of transferring these funds to the 7Tech Group bank account and as such, these realisations are not yet reflected in the receipts and payments analysis at Appendix C.

The Joint Administrators separately engaged Wilsons to realise the fixed assets at the site in Lisburn. An auction process is currently ongoing in this regard and we will therefore be in a position to confirm the quantum of realisations in our future six-monthly progress reports.

### ***Cash on appointment***

The 7Tech Group cash balance as at the date of appointment was £154,551, which has been received in the Joint Administrators account.

Additionally, there was \$29,360.23 in the 7 Tech Group pre-appointment USD account, which similarly to the USD debtor receipts are awaiting transfer and are therefore not reflected in the receipts and payments analysis at Appendix C.

## **7Tech Holdings**

Other than the intercompany debtor balance noted below, we are not aware of any other realisable assets of 7Tech Holdings.

### ***Inter-company position***

According to the Companies' books and records, 7Tech Holdings has a debt due to it from 7Tech Group of c.£895,000.

The amount has not yet been verified by the Joint Administrators, however, if there is a valid debt due, 7Tech Holdings may be entitled to benefit from any non-preferential creditor distribution from 7Tech Group (if applicable).

## **2.3 Joint Administrators' receipts and payments**

A summary of the Joint Administrators' receipts and payments for the period from 1 December 2022 to 25 January 2023 is attached at Appendix D.

## **2.4 Approval of the administrators' proposals and initial meetings of creditors**

### **2.4.1 7Tech Group**

The Joint Administrators are of the opinion that 7Tech Group has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the proposals.

The Joint Administrators will be obliged to seek a decision of the creditors of 7Tech Group if requested to do so by creditors whose debts amount to at least 10% of the total debts of the 7Tech Group. The request must be delivered within 8 business days of the date on which these proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016.

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

### **2.4.2 7Tech Holdings**

The Joint Administrators are of the opinion that 7Tech Holdings cannot be rescued as a going concern, nor can a better result be achieved for the company's creditors as a whole than would be likely if the company were wound up and consequently, in accordance with the provisions of paragraph 53(1)(b) of Schedule B1 to the NI Order, they do not intend to call an initial creditors' meeting.

The Joint Administrators will be obliged to call an initial meeting of creditors if it is requested by creditors of the 7Tech Holdings whose debts amount to at least 10% of the total debts of the company. The request must be made within 8 business days of the date on which these proposals are sent out and must be in the prescribed form.

The creditor summoning the meeting must lodge with the Joint Administrators a deposit as security for the expenses of summoning and holding the meeting. Further information is provided in the covering letter accompanying these proposals.

## 2.5 Future conduct of the Administrations

The Joint Administrators will continue to manage the affairs, business and property of the Companies to achieve the purpose of the Administrations. This will include, inter alia:

- Realising the assets of the Companies, including the remaining stock, book debts and IP.
- Continuing to deal with enquiries from UK and US authorities in relation to sensitive information.
- Review the Companies' tax affairs and deal with corporation tax, VAT and other tax matters, including filling statutory returns.
- Making distributions to the Secured Creditors under their fixed and floating charges (as appropriate).
- Managing preferential creditor claims and making a distribution to the preferential creditors (as appropriate).
- Dealing with unsecured creditor queries.
- If appropriate, agreeing unsecured creditor claims and making a distribution to creditors from the Prescribed Part.
- Dealing with statutory and compliance requirement of the Administrations, including reporting to creditors and investigations as necessary.
- If the Joint Administrators deem appropriate, to seek an extension and/or further extensions to the Administrations from the Companies' creditors and/or the Court;
- Finalising the Administrations, including the payment of all Administration expenses; and
- Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administrations.

The Administrations will be funded by the realisations achieved from the Companies' assets.

## 2.6 The end of the Administrations

### 2.6.1 7Tech Group

The Administration of the company will end automatically after twelve months following the date of the Joint Administrators appointment, although this period can be extended by either the creditors or an application to Court.

It is proposed that if at the end of the Administration the company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 7Tech Group will be deemed to be dissolved three months after the registration of the notice.

### 2.6.2 7Tech Holdings

The Administration of the company will end automatically after twelve months following the date of the Joint Administrators appointment, although this period can be extended by either the creditors or an application to Court.

It is proposed that if at the end of the Administration the company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 85(6) of Schedule B1 to the NI Order 7Tech Holdings will be deemed to be dissolved three months after the registration of the notice.

### 3. Statement of Affairs

A Statement of Affairs as at 1 December 2022 has been submitted for 7Tech Group by Gavin Newport. Additionally, a further Statement of Affairs as at 8 December 2022 has been submitted for 7Tech Holdings by Gavin Newport. A summary of these is attached at Appendix B, including a list of creditors for each of the Companies.

It should be noted that the Statements of Affairs are stated before the costs of realisation. The figures have been compiled by the Companies' management and have not been subject to independent review or statutory audit.

We would also comment that a number of the asset values have yet to be determined and may be lower than indicated. Similarly, a number of creditor claims have yet to be quantified and may be higher than indicated. Additionally, the values are shown before applicable costs of realisation.

We provide below, for information, an indication of the current position with regard to creditors' claims.

#### 3.1 7Tech Holdings

##### 3.1.1 Secured creditors

Based on the Statement of Affairs, at the date of appointment 7Tech Holdings owed c.£3.2m to its secured creditors. The secured funding to 7Tech Holdings includes:

- YFM has 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.

We anticipate that the secured lenders of 7Tech Holdings will suffer a shortfall against their debts. Barclays also have security but were not owed any amounts at the date of Administration. Their lending was c.£40k in respect of a bounce back loan which was set-off against the cash at bank held.

##### 3.1.2 Preferential creditors

The Directors' Statement of Affairs estimates that preferential creditors total c.£58,000 relating to unpaid wages and holiday pay, as well as secondary preferential claims from HMRC in respect of claims for VAT and PAYE.

##### 3.1.3 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.£1.8m, which primarily relates to unsecured loans provided by the lenders to 7Tech Holdings.

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

## **3.2 7Tech Group**

### **3.2.1 Secured creditors**

7Tech Group has guaranteed the indebtedness due to YFM and Whiterock by 7 Tech Holdings as set out above. As noted above, Barclays also have security but were not owed any amounts at the date of Administration.

### **3.2.2 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.

Based on the current estimate of preferential claims and the assets to be realised, we currently estimate that there will be sufficient funds to enable primary preferential creditors to be paid in full. However, it is not expected that realisations will be sufficient to fully settle the secondary preferential claims.

### **3.2.3 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 as well as certain employee claims.

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

## **4. Prescribed part**

### **4.1 7Tech Group**

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The secured creditors' floating charge was created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this Administration.

It is too early to accurately predict the quantum of the Prescribed Part as it is reliant on both the value of preferential claims as well as future asset realisations which are uncertain. However, the Joint Administrators estimate, to the best of their knowledge, that the value of the company's net property will be £nil and the value of the prescribed part will be £nil.

At this time, based on the above analysis, the Joint Administrators do not intend to make any applications to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the Prescribed Part of 7Tech Group.

### **4.2 7Tech Holdings**

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to Article 150A of the Insolvency (Northern Ireland) Order 1989. The prescribed part applies to floating charges created on or after 27 March 2006.

The secured creditors' floating charge was created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this Administration.

It is too early to accurately predict the quantum of the Prescribed Part as it is reliant on both the value of preferential claims as well as future asset realisations which are uncertain. However, the Joint Administrators estimate, to the best of their knowledge, that the value of the company's net property will be £nil and the value of the prescribed part will be £nil.



## 5. Administrators' remuneration and disbursements and payments to other professionals

### 5.1 7Tech Group Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, 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 the Joint Administrators.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the secured creditor(s) and if the Joint Administrators have made or intend to make a distribution to preferential creditors, the preferential creditors in accordance with Rule 18.18(4) of the Rules.

The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 25 January 2023 which is being circulated to creditors at the same time as these proposals.

### 5.2 7Tech Holdings Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.107 of the Insolvency Rules (Northern Ireland) 1991. 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 Association of Business Recovery Professionals at <https://www.r3.org.uk/technical-library/northern-ireland/technical-guidance/fees/more/29178/page/1/guide-to-administrators-fees/>, or is available in hard copy upon written request to the Joint Administrators.

In the event that a creditors' meeting is not requisitioned and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the secured creditor(s) and if the Joint Administrators have made or intend to make a distribution to preferential creditors, the preferential creditors in accordance with Rule 2.107(6) of the NI Rules.

The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration.

In the event that a meeting is held but a creditors' committee is not formed, the Joint Administrators propose that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration.

The time spent by the Joint Administrators and their staff to date primarily relates to the following matters:

- Dealing with on appointment matters including issuing statutory notices to relevant parties
- Carrying out a range of statutory duties, including:
  - o Obtaining the Statements of Affairs
  - o Engaging with the Companies' management team as regard the financial and employee records

- Engaging with the directors and employees to obtain an understanding of the Companies' financial position at the date of the Administrations;
- Dealing with the redundancy of the employees and supporting employees to make claims to the Redundancy Payment Service
- Recovery of debtors and accrued income
- Overseeing the completion of certain orders to realise value from the 7Tech Group work in progress and stock items
- Exploring the potential sale of the intellectual property
- Dealing with the Companies' confidential information
- Dealing with employee matters
- Recovering cash on appointment
- Arranging insurance
- VAT and Tax matters

Due to the nature of the Companies business, a significant amount of time has been spent and remains expected to be spent in dealing with confidential information and assets that were in possession of the Companies at the time of the Administrations. This is time that would otherwise not be incurred, and it is noted that these efforts are unlikely to result in any direct realisations for the Companies. Notwithstanding, this is time and effort that must be spent to enable the Joint Administrators to discharge their duties.

### **5.3 Disbursements**

Disbursements are expenses met by and reimbursed to the joint administrators. They fall into two categories: Category 1 and Category 2. The fee estimate and statement of expenses dated 25 January 2023 includes details of the Category 1 and 2 disbursements which are expected to be incurred in relation to 7Tech Group.

Category 1 disbursements are payments to independent third parties where there is expenditure directly referable to the administration. Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements are expenses that are directly referable to the administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as remuneration.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek the approval of the secured creditors and, if the Joint Administrators have made or intend to make a distribution to preferential creditors, the preferential creditors to charge Category 2 disbursements in accordance with the statement of expenses included in the fee estimate dated 25 January 2023.

## 6. Pre administration costs

The Joint Administrators of 7Tech Group are seeking approval for payment of unpaid pre administration costs totalling £15,142 plus VAT. These costs relate to third party expenses that were incurred prior to our appointments.

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52, and not part of the proposals subject to approval under paragraph 53. This means that they must be approved separately from the proposals.

A breakdown of the total pre administration costs incurred and amounts paid pre administration (if any) is attached at Appendix D. Further information is provided below.

In the event that a creditors' meeting is not requisitioned and a creditors' committee is not formed, the Joint Administrators of 7Tech Group will seek to have the unpaid pre administration costs approved by the secured creditors and the preferential creditors.

### 6.1 Joint Administrators' costs

The costs for this work commenced on 16 November 2022 and was carried out under an engagement agreement between Ernst & Young LLP and the Group. The nature of the pre-Administration work can be summarised as follows:

- Consider potential strategies that could be pursued by an insolvency officeholder with regard to asset realisations, employees and operational matters
- Understand the potential assets realisations in a theoretical insolvency scenario;
- Confirm on what basis Insolvency Practitioners from EY would be willing to accept an appointment as Administrators and (if appropriate) the alternative options.

EY fees for this work totalled £10,000 plus VAT and were paid in full by 7Tech Group prior to appointment.

### 6.2 Third party expenses

In addition to the above, the following third-party expenses have been incurred prior to our appointment:

- DWF Law LLP provided legal advice in connection with the appointment including preparing Administration appointment documentation. DWF Law LLP have unpaid pre-Administration costs of £15,142 plus VAT.

## Appendix A Statutory information

### 7Tech Holdings - Company Information

Company Name:	Seven Technologies Holdings Limited (in Administration)
Registered Office Address:	Ernst & Young LLP, 16 Bedford House, Bedford Street, Belfast, Antrim, BT2 7DT
Registered Number:	NI611438
Trading Name(s):	Seven Technologies Holdings Limited
Trading Address(es):	Unit 3, Cliffe Park, Bruntcliffe Road, Morley, Leeds, LS27 0RY 23 Crescent Business Park, Lisburn, Co Antrim

#### Details of the Joint Administrators and of their appointment

Joint Administrators:	Andrew Dolliver, Jonathan Peter Sumpton and Joanne Robinson
Date of Appointment:	8 December 2022
By Whom Appointed:	The appointment was made by the company's directors
Court Reference:	High Court of Justice in Northern Ireland Chancery Division Company Insolvency) (Reference: 27507)

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

#### Statement concerning the EU Regulation on Insolvency Proceedings

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

#### Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary A	2,838,218	2,838,218	2,838,218	2,838,218
Ordinary B	1,010,213	1,010,213	1,010,213	1,010,213
Ordinary C	300,660	3	300,660	3
Deferred	6,051,665	6,051,665	6,051,665	6,051,665
Preference	3,766,668	3,766,668	3,766,668	3,766,668

#### Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
David Anderson	Director	3 April 2012	n/a	48% of Ord B 43% of Deferred
Stephen Harrison	Director	4 March 2019	n/a	n/a
Jeffrey Holder	Director	1 March 2022	n/a	n/a

Appendix A: Statutory Information

Gavin Newport	Director	19 January 2021	n/a	n/a
John Weston	Director	15 April 2019	n/a	5% Ord B 32% Ord C 3% Preference
Roland Barzegar	Director	10 May 2018	12 March 2021	20% Ord C 1% Preference
James Hook	Director	20 December 2018	7 November 2022	48% Ord B 43% Deferred
Michael Howarth	Director	27 April 2018	18 January 2021	1% Preference

## 7Tech Group - Company Information

Company Name:	Seven Technologies Group Limited (in Administration)
Registered Office Address:	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, West Yorkshire, LS11 5QR
Registered Number:	04797081
Trading Name(s):	Seven Technologies Group Limited
Trading Address(es):	Unit 3, Cliffe Park, Bruntcliffe Road, Morley, Leeds, LS27 0RY 23 Crescent Business Park, Lisburn, Co Antrim

### Details of the Joint Administrators and of their appointment

Joint Administrators:	Andrew Dolliver, Jonathan Peter Sumpton and Joanne Robinson
Date of Appointment:	1 December 2022
By Whom Appointed:	The appointment was made by the company's directors
Court Reference:	High Court of Justice, Business and Property Courts of England and Wales in Leeds, Insolvency and Companies List (ChD) Reference: CR-2022-LDS-000963

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

### Statement concerning the EU Regulation on Insolvency Proceedings

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

### Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	150	150	150	150

### Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Stephen Harrison	Director	4 March 2019	n/a	n/a
Jeffrey Holder	Director	1 April 2022	n/a	n/a
Gavin Newport	Director	19 January 2021	n/a	n/a
Jason Sierra	Director	22 April 2022	n/a	n/a
Adrian Timberlake	Director	17 July 2018	n/a	n/a
John Weston	Director	15 April 2019	n/a	n/a
Derek Wright	Director	22 April 2022	n/a	n/a
Roland Barzegar	Director	10 May 2018	12 March 2022	n/a
Michael Howarth	Director	27 April 2018	17 January 2021	n/a

## Appendix B Directors' statement of affairs

### 7Tech Group

Rule 3.30

#### Statement of affairs

Name of Company Seven Technologies Group Limited	Company number 04797081
In the High Court of Justice, Business and Property Courts of England and Wales in Leeds, Insolvency and Companies List (ChD)	Court case number CR-2022-LDS-000963

Statement as to the affairs of Seven Technologies Group Limited (in Administration) ("the Company")

on the 1 December 2022, the date that the Company entered Administration.

---

#### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above-named Company as 1 December 2022 the date that the Company entered administration.

Full name GAUW JOHN NEWPORT

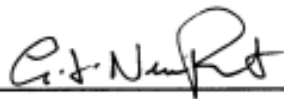
Signed G.J. Newport

Dated 22.12.22

**A – Summary of Assets**

	Book Value (£)	Estimated to Realise (£)
<b>Assets</b>		
<b>Assets subject to fixed charge:</b>		
Investments	7,781,000	0
Brand & IP	0	Unknown
Less secured creditors:		
Total Secured Creditor Debt – Cross guaranteed across the group	(3,194,705)	(3,194,705)
Debts secured by floating charge (carry down)	4,586,295	(3,194,705)
<b>Assets subject to floating charge:</b>		
Fixed Assets	390,068	50,000
Stock & WIP	1,647,197	200,000
Trade Debtors	779,740	500,000
Prepayments	50,908	0
Cash at Bank	202,060	202,060
VAT Debtor (Group registration)	70,184	0
<b>Uncharged assets:</b>	n/a	n/a
<b>Estimated total assets available for preferential creditors</b>	<b>3,140,157</b>	<b>952,060</b>

Signature



Date

22.12.22

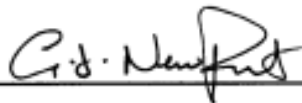
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**A1 – Summary of Liabilities**

		Estimated to realise (£)
<b>Estimated total assets available for preferential creditors (carried from page A)</b>	£	952,060
<b>Liabilities</b>	£	
Preferential creditors:-	574,771	(574,771)
<b>Estimated deficiency/surplus as regards preferential creditors</b>	£	377,289
Estimated prescribed part of net property where applicable (to carry forward)	£	
	78,458	(78,458)
<b>Estimated total assets available for floating charge holders</b>	£	298,831
Debts secured by floating charges	£	
	3,194,705	(3,194,705)
<b>Estimated deficiency/surplus of assets after floating charges</b>	£	(2,895,874)
Estimated prescribed part of net property where applicable (brought down)	£	
	78,458	78,458
<b>Total assets available to unsecured creditors</b>	£	78,458
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
	1,857,543	(1,857,543)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	£	(1,779,085)
Shortfall to floating charge holders (brought down)	£	
	2,895,874	(2,895,874)
<b>Estimated deficiency/surplus as regards creditors</b>	£	(4,674,959)
Issued and called up capital	£	
	150	(150)
<b>Estimated total deficiency/surplus as regards members</b>	£	(4,675,109)

Signature



Date

22.12.22

## COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and consumers should be given as a single figure, with details provided on the respective schedules.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
NI Growth Loan Fund LP (and associated parties)	8th Floor, City Exchange, 11-13 Gloucester Street, Belfast, BT1 4LS	448,396.85	Fixed and Floating Charges – Cross Guarantee	Various	448,396.85
Yim Private Equity Limited (and associated parties)	5th Floor Valiant Building, 14 South Parade, Leeds, LS1 5QS	2,639,589.04	Fixed and Floating Charges – Cross Guarantee	Various	2,639,589.04
John Weston	n/a – personal address	54,164.38	Fixed and Floating Charges – Cross Guarantee	Various	54,164.38
Management Loans (3 Individuals)	n/a – personal address	52,554.80	Fixed and Floating Charges – Cross Guarantee	Various	52,554.80
HMRC – VAT (Preferential)	HM Revenue and Customs BX9 1AX	26,659.00	n/a	n/a	n/a
HMRC – PAYE & NIC (Preferential)	HM Revenue and Customs BX9 1AX	445,688.00	n/a	n/a	n/a
Trade Creditors	See Attached	723,266.10	n/a	n/a	n/a
Other Creditors	Various	188,979.51	n/a	n/a	n/a

Signature

*E.J. New Rd*

Date

22.12.22

ADMINISTRATOR





**Listing of Trade Creditors**

Vendor	Address 1	Address 2	Address 3	ZIP	Invoice Balance
28 Catering	Show Centre	ETPS Road		GU14 6FD	135.00
ADS Group Limited	1 BOWLING GREEN TERRACE	OFF JACK LANE		GU14 6FD	516.00
ADT FIRE AND SECURITY	Unit 10	Limrose court		LS11 9SP	-2,706.56
Advanced Camera Services LTD	SSE Airticity Gas Supply (NI) Ltd	PO Box 789		IP25 6NG	3,996.00
AIRTRICITY	107a New Road Side			BT2 7BN	618.14
Arrow Private Hire	Systems House	Enterprise Crescent		LS18 4QD	252.87
Asdon	Unit E2	Regent Park		BT26 2BH	4,145.52
Avatu	2525 Ponce De Leon Blvd	Penthouse 1225	Summerleys Road	HP27 9LE	921.60
Avila Rodriguez Hernandez Mena & Ferri LLP	2525 Ponce De Leon Blvd	Penthouse 1225	Coral Gables	33134-6049	-1,655.11
Avila Rodriguez Hernandez Mena & Ferri LLP	Aviva	Chilworth House	Hampshire Corporate Park	33134-6049	1,655.11
Aviva	Junkendiek 5	Providence Street		S053 3RY	-3,755.76
B&W International GmbH	Unit 3	Horsforth	Lye	49479	14,090.90
Badland	Broadway Hall	The Green		DY 9 8HN	490.42
Bartlett Wealth Management Ltd	141 Newtownards Road	Shannon Free Zone		LS18 4RS	9,696.00
Bauer Group Holdings Ltd T/A SZW Property	Bay 98	Kirkburton		S13 9EH	1,365.84
Beattie Technologies Ltd	5 Oakland Court	17-19 Manno Way	Finchampstead	BT20 4HP	3,123.60
Beta Layout Ltd	Victory House	30 Wingates Industrial Park	Westhoughton		223.07
BLX Limited	Direct House	2 Queensway		H08 0XF	5,759.21
Broadband Technology 2000 Ltd	5th Floor	500 South Spencer Road		RG40 4RF	1,612.20
BT Business Direct Ltd	Bunting-Newton	South Shields		BL5 3KU	124.16
BT Phones	6 West Walpole Street	100 New Bridge Street		BT48 7AY	208.32
Bunting Magnetics	Cellbrite UK Limited	73 Duke Street		KS 67114	108.40
Carl Greaney \$	CLR Software Ltd	18 Inviolable Road			1,355.00
Cell Pack Solutions	5A McKinney Road			NE33 5BY	8,483.76
CELLEBRITE UK	Industries House			ECAV 61A	168,831.60
Chris Armstrong	150 armley Road				59.19
CLR Software	368 Alexandra Parade	Unit 14, 48 North		D13 7SD	17,136.00
Cmass	DGS Service Solutions Limited	Unit 1		BT36 4PE	7,948.00
Cove Industrial Enterprises	DHL (AC: 186484393)	Customer Accounting		GU14 7QU	26,650.51
CPC (Farnell)	DHL (AC: 954775735)	Thief River Falls		LS12 2QQ	42.15
Credit Card \$	Digi: Key Corporation	Greatworth Hall	Greatworth		-700.00
Credit Card £	Direct Insight Ltd	Moiria Road		OX17 2DH	-2,018.05
Dell Products	DM Laserfab			BT28 2RE	369.60
DGS Service Solutions					
DHL (AC: 186484393)					
DHL (AC: 954775735)					
Digi: Key Corporation					
Direct Insight Ltd					
DM Laserfab					

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MicroTek Dollar Account	25 Kingfisher Court	Hambridge Road		RG14 5SJ	10,763.20
Millgate LTD	7 Vantage Drive			S9 1RG	5,868.95
Miniprint	401 Castlereagh Road			B75 6QP	1,752.07
Mirage WaterCoolers Ltd	Unit 13 Newhold Ind. Est.	Aberford Road	Garforth	LS25 2LD	183.60
Monks & Crane	Unit 2	Atlantic Way	Black Country New Road	WS1 7WW	11.04
MoorePay	Moorepay Ltd	Lowry Mill	Lees Street	M27 6DB	901.38
Mouser	Artisan Building	Suite C First Floor	Hillbottom Road	HP12 4HU	61.20
New Direction Signs & Graphics Limited	7 Marsh Rise		Pudsey	LS287QD	179.52
Northern Electrical Solutions	Unit 51	Herald Park Industrial Estate Herald Drive,		CWI 6EA	1,570.80
Nortronic Cable Harnessing Ltd	PO Box 583			HU5 1YU	-196.86
NPower	Duckworth Mill	Skipton Road	Colne	B88 0RH	5,172.00
NR Engineering	260 Bath Road			SL1 4DX	-2,096.55
O2					10,659.10
Occasional Supplier \$					-1,979.51
Occasional Supplier £					-10,036.20
Occasional Supplier £					-4,430.65
Occasional Supplier EURO					4,000.00
Oliver Raddiffe	9 Lindale Garth	Kirkhamgate		WF2 0RN	-3,593.52
Oracle Corporation UK Limited	Orade Parkway	Thames Valley Park		RG6 1RA	1,080.00
OSBORNE KING					1,860.00
Osbourne Clarke					9,911.50
OSG Cloud Ltd	3 Plasketts Close	Kilbegs Bus Park	Antrim	B74L 4LY	900.86
Outsource Solutions (NI) Ltd	3 Plasketts Close	Kilbegs Business Park	Antrim	RG24 8NU	12,093.01
PEI Genesis	PEI-Genesis UK Ltd	Unit 3 Trident Centre	Armstrong Road	SK13 6LQ	700.05
Pell Products UK	Pell House	Peakdale road	Brookfield	KT17 1HS	-407.88
People Safe	Emerald House	East Street		B79 5NW	54.68
POWER NI	Woodchester House	50 Newforge Lane		RG14 5RU	368.26
Powersolve Electronics Ltd	8A Arnhem Road				6,120.00
Precision Resource Group Ltd					-516.00
QUADIPA LIMITED	14-16 Shore Road	Hollywood	County Down	BT18 9HX	3,317.18
Qualitetch ComponentsLtd	1-3 Century Way	Tulsa		PE15 8QW	3,812.00
Qualtron	9409 E 55th Place South	Great Whyley		WS6 6BQ	3,307.91
Radioworld	42 Brook Lane				156.00
RICHEL HALE					50.00
R5 Components	117 Deerhyles View	P. O. Box 99	Corby	NN17 9RS	6.50
Santec UK		Westfield Ind Estate		G68 9HN	4,800.00
Sharp Consultancy Ltd					942.23
Shenzhen NuosenDa Electronics Ltd	No. 9, 1st West Lane	Hezhou Village	Xixiang Town	B77 4BF	697.46
Shire Leasing	1 Calico Business Park	Sandy Way		M33 7JQ	165.20
Shred It	177 Cross Street	Ground Floor, Corner House			

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Signum Intelligence Ltd	Deebridge House,	25/27 Lower Bridge Street,	CH1 1RS	64,289.25
Signum Intelligence Ltd	Deebridge House,	25/27 Lower Bridge Street,	CH1 1RS	-21,570.00
SiliconExpert Technologies	P.O. Box 740692	Los Angeles, CA 90074-0692,		-2,379.00
SMARTEST ENERGY	12A Usbarnett Villas	Lisbane	BT23 6AJ	-22,902.00
SNW Machining Services	Unit D	Seymour Wharf	TQ9 SAL	1,352.40
Speciality Fasteners	98 Medstead Road	SILVERLINK BUSINESS PARK	GU34 4AE	-95.76
Spectech Limited	UNIT 7	Grange Court	NE28 9ND	9,111.90
Staff Vetting	The Old Barn	Market Harborough	GU10 1DW	-32.00
Stemmar Imaging	PO BOX 5329	Granby Industrial Estate	LE16 7YG	689.70
Supasael (UK) LTD	Tecan Way	Granby Industrial Estate	DT4 9TU	741.00
Tecan Components Ltd	Unit 3 Kiltonga Ind Estate	Belfast Road	BT23 4TJ	5,507.85
Technical Metals Ltd	The Big Bite			-313.44
The Big Bite/Jills	The Bridge (IT Recruitment) Limite	Cliffe House	Keighley Road	462.20
Thomson Reuters	Thomson Reuters UK Limited	160 Blackfriars Road	SE1 8EZ	12,480.00
Toby Electronics Ltd	Beaumont Rd Industrial Estate	Banbury	OX16 1TU	6,861.96
Toolmaster Precision Engineering	Unit 3C Merebrook Business Park	Hanley Road	WR13 6NP	15.78
T-Zero Ltd	Unit 6 Navigation Drive	Hurst Business Park	DV5 1UT	216.00
Ultima Computers Ltd	16 Wallington Park			3,346.57
Value Cabs	326 High Street	Halborne	BT9 6DJ	-2,586.00
Vine Property Management LLP	Brunel Park	Brunel Drive	BT7 9PU	252.94
Vodafone Business	Richmond House	Garforth	NG24 2EG	-46.72
Wastecare	67B UPPER BRANIELE ROAD	CASTLEREAGH	LS25NB	-4,675.87
WHISKIN PRECISION ENGINEERING LTD	Wireless Innovation Ltd	Unit D2	BT5 7TX	-52.92
Wireless Innovation GBP	Wireless Innovation Ltd	Churcham Business Park	GL2 8AX	3,488.11
Wireless Innovation Limited	Unit D2	Churcham Business Park	GL2 8AX	887.28
XDA	5th Floor	Avebury Boulevard	Milton Keynes	261.48
Xero (UK) Ltd	1615 Platte Street	Suite 400	MK9 1FH	3,109.38
Xero Inc			80202	145.92
				100.81
				723,266.10

ADMO1803



## 7Tech Holdings

Rule 3.30

### Statement of affairs

Name of Company Seven Technologies Holdings Limited	Company number NI611438
In the High Court of Justice in Northern Ireland , Chancery Division [full name of court]	Court case number 27507

Statement as to the affairs of Seven Technologies Holdings Limited (in Administration) ("the Company")

on the 8 December 2022, the date that the Company entered Administration.

---

#### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above-named Company as 8 December 2022 the date that the Company entered administration.

Full name GAVIN JOHN NEWPORT

Signed G. J. Newport

Dated 22.12.22

**A – Summary of Assets**

Assets	Book Value (£)	Estimated to Realise (£)
Assets subject to fixed charge:		
Investments	7,500,000	0
Less secured creditors:		
Total Secured Creditor Debt – Cross guaranteed across the group	(3,194,705)	(3,194,705)
Debts secured by floating charge (carry down)	4,305,295	(3,194,705)
Assets subject to floating charge:		
n/a	n/a	n/a
Uncharged assets:		
	n/a	n/a
Estimated total assets available for preferential creditors	<u>0</u>	<u>0</u>

Signature G. J. Newbold Date 22.12.22

ADM01803

**A1 – Summary of Liabilities**

		Estimated to realise (£)
<b>Estimated total assets available for preferential creditors (carried from page A)</b>	£	0
<b>Liabilities</b>	£	
Preferential creditors:-	57,869	(57,869)
<b>Estimated deficiency/surplus as regards preferential creditors</b>	£	(57,869)
Estimated prescribed part of net property where applicable (to carry forward)	£	0
<b>Estimated total assets available for floating charge holders</b>	£	0
Debts secured by floating charges	£	(3,194,705)
<b>Estimated deficiency/surplus of assets after floating charges</b>	£	(3,252,574)
Estimated prescribed part of net property where applicable (brought down)	£	0
<b>Total assets available to unsecured creditors</b>	£	0
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	(1,761,403)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	£	(1,761,403)
Shortfall to floating charge holders (brought down)	£	(3,252,574)
<b>Estimated deficiency/surplus as regards creditors</b>	£	(5,013,977)
Issued and called up capital	£	(14,257,047)
<b>Estimated total deficiency/surplus as regards members</b>	£	(19,271,024)

Signature

*A. D. Newbold*

Date

22.12.22

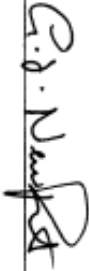
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## COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and consumers should be given as a single figure, with details provided on the respective schedules

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
NI Growth Loan Fund LP (and associated parties)	8th Floor, City Exchange, 11-13 Gloucester Street, Belfast, BT1 4LS	448,396.85	Fixed and Floating Charges – Cross Guarantee	Various	448,396.85
Yfm Private Equity Limited (and associated parties)	5th Floor Valiant Building, 14 South Parade, Leeds, LS1 5QS	2,639,589.04	Fixed and Floating Charges – Cross Guarantee	Various	2,639,589.04
John Weston	n/a – personal address	54,164.38	Fixed and Floating Charges – Cross Guarantee	Various	54,164.38
Management Loans (3 Individuals)	n/a – personal address	52,554.80	Fixed and Floating Charges – Cross Guarantee	Various	52,554.80
HMRC – VAT (Preferential)	HM Revenue and Customs BX9 1AX	26,658.00	n/a	n/a	n/a
HMRC – PAYE & NIC (Preferential)	HM Revenue and Customs BX9 1AX	27,988.00	n/a	n/a	n/a
Trade Creditors	See Attached	25,000.00	n/a	n/a	n/a
Unsecured Loans	See Attached	1,649,975.86	n/a	n/a	n/a

Signature



Date

22.12.22

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**COMPANY SHAREHOLDERS**

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Various Parties	Various	2,838,218	2,838,218	Ordinary A
Various Parties	Various	1,010,213	1,010,213	Ordinary B
Various Parties	Various	120,264	1	Ordinary C
Various Parties	Various	6,051,965	6,051,965	Deferred
Various Parties	Various	3,766,667	3,766,667	Preference Shares – Capital
Various Parties	Various		590,283	Preference Shares – Interest
TOTALS		13,787,027	14,257,047	

Signature *E. J. Newland* Date 22.12.22

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## Employees and Former Employees

**Note:** You must include details of all monies owed to employees and former employees in this schedule and disclose the total amount in the Company Creditors sheet, described simply as "employees and former employees"

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Employees & Redundancy Payments Service – Preferential		3,223.08	n/a	n/a	n/a
Employees & Redundancy Payments Service – Unsecured		86,426.92	n/a	n/a	n/a
<b>Total</b>		<b>1,047,724.23</b>			

Signature *G.S. New Post* Date 22.12.22

ADMIN1233

**Listing of Trade Creditors**

Vendor	Address 1	Address 2	Address 3	ZIP	E-Mail Address	Invoice Balance
VFM Private Equity Ltd	5th Floor, Valiant Building	14 South Parade		LS1 5DS		25,000.00

**Listing of Unsecured Loans**

Party	Capital	Interest Accrued	Total
VFM 1	1,050,000	306,633	1,356,633
Founder Loans	249,000	44,343	293,343
<b>Unsecured Loans</b>	<b>1,299,000</b>	<b>350,976</b>	<b>1,649,976</b>

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## Appendix C    Joint Administrators' receipts and payments accounts for the period from 1 December 2022 to 25 January 2023

### Seven Technologies Group Limited - Administrators' receipts and payments account for the period from 1 December 2022 to 25 January 2023

Estimated to realise  
as per Directors'  
Statement of Affairs (£)

		£
<b><u>Floating charge realisations</u></b>		
<b>Trading receipts</b>		
	Sales	83,812
		<b>83,812</b>
<b>Trading payments</b>		
	Material purchases	7,738
	Employee wages and salaries	6,659
	Consultancy costs	5,000
		<b>19,397</b>
	<b>Net trading realisations</b>	<b>64,415</b>
<b>Non-trading receipts</b>		
500,000	Trade debtors	194,552
202,060	Cash on appointment	154,551
	Sundry Receipts	15,549
	Bank interest	22
		<b>364,674</b>
<b>Non-trading payments</b>		
	Employee wages and salaries	46,007
	Rent	9,597
	IT Services	15,000
	Statutory costs	86
	Sundry expenses	3,744
	Professional costs	815
		<b>75,249</b>
	<b>Total net realisations</b>	<b>353,839</b>
<b>Represented by:</b>		
	Cash at bank	348,112
	VAT receivable	5,728
		<b>353,839</b>

#### Notes

1. Receipts and payments are stated net of VAT.



2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. Certain of the stock and work in progress that existed at the date of our appointment has been consumed in the process of trading or returned to suppliers under claims for retention of title.
4. The cash will be held in interest-bearing accounts.

**Seven Technologies Holdings Limited - Administrators' receipts and payments  
account for the period from 1 December 2022 to 25 January 2023**

**Estimated to realise  
as per Directors'  
Statement of Affairs (£)**

		£
	<b>Non-trading receipts</b>	
Nil		Nil
		<b>Nil</b>
	<b>Non-trading payments</b>	
		Nil
		<b>Nil</b>
	Total net realisations	<b>Nil</b>
		<b>Nil</b>
	Represented by:	
	Cash at bank	<b>Nil</b>

**Notes**

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. The cash will be held in interest-bearing accounts.

## Appendix D      Statement of pre-administration costs

### Statement of pre-administration costs for 7Tech Group

	Administrator		Details
	Remuneration £	Expenses £	
Time costs	10,000	Nil	Incurred by the Joint Administrators, as outlined in section 6 of the Proposals
Legal Fees		£15,142	Time costs and disbursements incurred by DWF Law LLP
<b>Total costs incurred</b>	<b>10,000</b>	<b>£15,142</b>	
<b>Paid before the administration</b>			
Time costs	(10,000)	Nil	Paid by 7Tech Group
Legal Fees		Nil	
<b>Unpaid pre-administration costs</b>	<b>Nil</b>	<b>£15,142</b>	

Unpaid pre-administration costs are costs which had not been paid at the date of administration are still outstanding and are subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016. The pre-administration costs are stated net of VAT.

Unpaid pre-administration costs are not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986. This means that they must be approved separately from the proposals. Further information on the way in which approval will be sought for unpaid pre-administration costs is set out in section 6 of this document.

Pre-administration costs are stated net of VAT.

We are not seeking pre-administration costs in the administration of 7Tech Holdings.

## Seven Technologies Group Limited – in Administration

### Estimate of remuneration to be charged

The Joint Administrators are seeking approval for their remuneration to be fixed on a time cost basis. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, they set out below their estimate of remuneration to be charged.

The estimate of remuneration is £538,000 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs is attached on the following page(s).

An explanation of how these sums have been arrived at is set out below and a breakdown of the expected costs is provided on the following pages.

### Explanation of the work proposed to be undertaken

Basis of work	Category of work	Description of work to be completed
Statutory	Accounting & Administration	<ul style="list-style-type: none"> <li>▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.</li> </ul>
Statutory	Bank and Statutory Reporting	<ul style="list-style-type: none"> <li>▶ Reporting to the secured creditors.</li> <li>▶ Includes statutory reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, six monthly progress reports, reports in respect of finalising and concluding the Administration and filings of documents at Companies House.</li> </ul>
Statutory	Creditors	<ul style="list-style-type: none"> <li>▶ Correspondence with creditors.</li> <li>▶ Dealing with creditor claims</li> <li>▶ Processing distributions to the creditors (as applicable).</li> </ul>
Asset realisation	Debtors	<ul style="list-style-type: none"> <li>▶ Contacting customers and providing information to facilitate the collection of the trade debtors, including engaging with One North Group Limited, as debt collection agent.</li> <li>▶ Monitoring collection of the debtor book</li> <li>▶ Monitoring and recording cash receipts</li> </ul>
Statutory	Employee Matters	<ul style="list-style-type: none"> <li>▶ Dealing with any employee enquiries.</li> <li>▶ Dealing with the redundancy of the employees and supporting employees to make claims to the Redundancy Payment Service</li> </ul>
Statutory	Immediate Tasks	<ul style="list-style-type: none"> <li>▶ Tasks requiring immediate attention following the appointments to execute the strategy outlined in the Proposals.</li> <li>▶ Dealing with the Companies' confidential information</li> </ul>
Statutory	Investigations	<ul style="list-style-type: none"> <li>▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders".</li> <li>▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986.</li> </ul>
Asset realisation	Job Acceptance & Strategy	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ Considering exit routes from administration and implementing the most appropriate route.</li> </ul>
Asset realisation	Legal Issues	<ul style="list-style-type: none"> <li>▶ Legal advice regarding such matters required to maximise realisations from the Company's estate</li> </ul>
Asset realisation	Other Assets	<ul style="list-style-type: none"> <li>▶ Realising the Company's assets including stock and fixtures and fittings.</li> <li>▶ Negotiations with customers and arranging the conversion of work</li> </ul>

		in progress items to facilitate the completion of certain orders
		▶ Exploring the potential sale of the intellectual property asset
Asset realisation	Other Matters	<ul style="list-style-type: none"> <li>▶ Sale of the business and/or assets of the Company in pursuance of the Administrators' objectives.</li> <li>▶ Dealing with any assets owned by third parties.</li> <li>▶ Recovery of the Company's physical books and records, and electronic records (including a backup of Company's servers and systems).</li> <li>▶ Dealing with UK and US authorities in relation to sensitive information and assets held by the Company.</li> </ul>
Asset realisation	Property	<ul style="list-style-type: none"> <li>▶ Managing the occupation and exit from the leased properties.</li> <li>▶ Realising value from the Company's leasehold interests (if any).</li> </ul>
Statutory	Public Relations	▶ Agreeing and issuing statements to the press as required in pursuit of the administration strategies.
Asset realisation	Retention of Title	▶ Assessment and settlement or rejection of claims for retention of title from the Company's suppliers (if applicable).
Statutory	Statutory Duties	▶ Completion of statutory requirements of the administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.
Statutory	VAT & Taxation	<ul style="list-style-type: none"> <li>▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.</li> <li>▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the administration.</li> </ul>

There are a number of regulatory and statutory matters which the Joint Administrators are required to undertake which are unlikely to generate any direct financial benefit to creditors. These include liaising the various UK and US Authorities with regard to sensitive information held by the 7Tech Group: accounting and administration, bank and statutory reporting, investigations, statutory duties and tax matters.

## Estimated Remuneration

	Staff Grade					Total Hours	Total Cost £	Average Rate £
	Partner	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	1.7	9.8	12.9	21.7	44.7	90.8	42,502	468
Bank and Statutory Reporting	7.9	19.6	-	11.5	17.2	56.2	37,660	670
Creditors	4.8	11.8	-	41.7	50.2	108.5	51,110	471
Debtors	8.7	25.7	-	28.4	29.3	92.2	55,683	604
Employee Matters	2.2	-	8.5	31.4	14.7	56.8	27,976	493
Immediate Tasks	8.4	31.3	-	-	56.9	96.6	54,069	560
Investigations	5.3	10.4	-	4.6	15.9	36.2	22,596	624
Job Acceptance & Strategy	2.9	5.0	-	3.3	3.8	15.0	10,760	718
Legal Issues	1.8	19.6	-	4.6	4.0	29.9	22,596	755
Other Assets	9.5	65.3	-	8.2	28.3	111.3	80,700	725
Other Matters	2.9	14.1	-	1.9	6.6	25.6	18,830	735
Property	5.0	11.2	-	4.4	11.3	32.0	21,520	673
Public Relations	0.4	-	1.4	2.5	-	4.3	2,690	623
Retention of title	1.9	16.8	-	4.9	17.0	40.6	24,210	596
Statutory Duties	6.0	22.1	-	7.8	26.8	62.6	38,198	610
VAT & Tax	2.1	9.3	8.2	13.7	14.2	47.5	26,900	567
<b>Total Hours</b>	<b>71.6</b>	<b>272.1</b>	<b>30.9</b>	<b>190.7</b>	<b>340.9</b>	<b>906.2</b>		
<b>Time Costs (£)</b>	<b>91,595</b>	<b>235,375</b>	<b>20,417</b>	<b>93,464</b>	<b>97,149</b>		<b>538,000</b>	
<b>Average Hourly Rate (£)</b>	1,280	865	660	490	285		593.7	

### Note:

- Time is charged in 6-minute intervals
- Time costs incurred to date are included as part of the estimated times costs

## Details of expenses incurred and anticipated to be incurred

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. Expenses expected to be incurred total £217,342 plus VAT.

### Estimated expenses

Category of expenses	Description of expense/disbursements incurred to be incurred	Estimated total £	Paid to date £
<b>Category 1 expenses</b>			
Bank charges	Charges associated with operation of the Company's bank accounts during the administration	500	-
Legal costs	To assist Joint Administrators by providing legal services	15,000	-
Debt collection costs	Assisting with collection of the 7Tech Group debtor ledger	20,000	-
Asset agents' costs	To assist with the clearance of the company's trading premises and disposal of the Company's residual assets	27,500	-
Statutory costs	Costs of completing requirements of the administration, including advertising and filing costs	1,000	86
IT service costs	To facilitate the continuation of the Company's IT infrastructure, as required to allow the Administrators in fulfilling their duties	15,000	15,000
Insurance	Insurance costs for the company's assets, including public liability insurance.	5,000	-
Employee wages and salaries	Employee costs in connection with retained employees as required to achieve the purpose of the Administration.	80,000	52,666
Professional costs	Costs in connection with a consultant required to assist with the preparation of the Statement of Affairs.	1,000	815
Property occupation costs	Rent, service charge and other property expenses for the leased properties for the respective periods of occupation.	25,000	9,597
Property exit costs	Exit costs in connection with the leased properties	5,000	-
Storage costs	Costs in connection with storing the Company's books and records	500	-
Sundry costs	Other costs incurred in order to execute the strategy outlined in the Proposals.	5,000	3,744
<b>Category 2 expenses</b>			
Pre-administration costs	Third-party expenses incurred prior to our appointment in relation to legal advice in connection with the appointment as outlined in the Proposals.	15,142	-
<b>Category 1 disbursements</b>			
Specific penalty bond	A form of insurance required by insolvency law	400	-
Postage, Printing and Public Notices	Those costs incurred by the Joint Administrators in printing and posting written communication to all relevant creditors and shareholders.	1,000	-
<b>Category 2 disbursements</b>	No category 2 disbursements estimated		
Mileage	Costs relating to mileage incurred by the Joint administrators and their staff in respect of work on the Administration.	300	-
<b>Total</b>		<b>217,342</b>	<b>81,908</b>

## 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

## Exceeding estimates of remuneration and expenses

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The joint administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

## Estimate of return for creditors

We currently estimate the following return for creditors:

### Secured creditors

Based on the Statement of Affairs, at the date of appointment 7Tech Holdings owed c.£3.2m to its secured creditors (YFM and Whiterock) and that 7TechGroup has provided cross guarantees for the indebtedness.

It is currently anticipated that the secured lenders will suffer a shortfall against their combined debt.

### Preferential creditors

We estimate that preferential creditor claims may total c.£570,000 in respect of unpaid wages and holiday pay, as well as secondary preferential claims from HMRC in respect of claims for VAT and PAYE.

Based on the current estimate of preferential claims and the assets to be realised, we currently estimate that there will be sufficient funds to enable primary preferential creditors to be paid in full. However, it is not expected that realisations will be sufficient to fully settle the secondary preferential claims.

### Non-preferential creditors

It is estimated that total non-preferential claims will be in the region of c.£1.9m.

Given the shortfall expected to be suffered by both the secured and preferential creditors, we do not currently anticipate that there will be sufficient realisation to enable a distribution to the non-preferential creditors.