

TO ALL KNOWN CREDITORS

30 November 2023

Ref: CGJK/SV/BC/D22.1
Email: bridie.j.clews@parthenon.ey.com

Dear Sir/Madam

Extentia Group Limited – (in Administration) (“the Company”)

I write to inform you that the Administration has now been concluded.

I enclose, for your information, a copy of the final progress report and a copy of the notice of move to dissolution which has been filed at Companies House. The Administrators have now ceased to act and the Company will be dissolved three months after the date on which the notice is registered by Companies House.

Should you have any questions about these documents or any other aspect of the Administration, please contact Bridie Clews at this office.

Yours faithfully
For the Company



S P Vyse
For CGJ King
Joint Administrator

Enc: Copy of Form AM23 Notice of move from Administration to dissolution
Final progress report

C G J King and S J Woodward are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and C G J King, 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 Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

AM23

Notice of move from administration to dissolution



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

1 Company details

Company number 0 9 5 1 1 3 2 2

Company name in full Extentia Group Limited

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

2 Court details

Court name The High Court of Justice Business and Property Courts in Leeds
Insolvency and Companies List (ChD)

Court number C R 2 0 2 0 L D S 0 0 0 2 2 9

3 Administrator's name

Full forename(s) Charles Graham John

Surname King

4 Administrator's address

Building name/number Ernst & Young LLP

Street 1 Bridgewater Place

Water Lane

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 1 5 Q R

Country United Kingdom

AM23

Notice of move from administration to dissolution

5 Administrator's name

Full forename(s) Samuel James
Surname Woodward

Other administrator
Use this section to tell us about another administrator.

6 Administrator's address


Building name/number Ernst & Young LLP
Street 2 St Peters Square
Post town Manchester
County/Region Lancashire
Postcode M 2 3 D F
Country United Kingdom

Other administrator
Use this section to tell us about another administrator.

7 Final progress report

I have attached a copy of the final progress report

8 Sign and date

Administrator's signature **X**  **X**
Signature date ^d 3 ^d 0 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 3

AM23

Notice of move from administration to dissolution

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 **Bridie Clews**

Company name **Ernst & Young LLP**

Address **1 Bridgewater Place**

Water Lane

Post town **Leeds**

County/Region **W Yorkshire**

Postcode

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Country **United Kingdom**

DX

Telephone **+441132982292**

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

30 November 2023

Ref: CGJK/TH/SV/BC/D16.1
Email: bridie.j.clews@uk.ey.com

Dear Sirs

Extentia Group Limited (in Administration) (“the Company”)

High Court of Justice, The Business and Property Courts in Leeds, Insolvency and Companies List (ChD), CR2020-LDS-000229

I write to provide you with our final progress report in the Administration, which includes details of the outcome. The report covers the period from 28 August 2023 to 30 November 2023 and should be read in conjunction with the Administrators’ Statement of Proposals (“the Proposals”) dated 23 April 2020 and the previous progress reports.

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

Summary of the Administrators’ proposals

The Proposals summarised the background of the Company along with the circumstances giving rise to the appointment of Administrators.

As stated in the Proposals, 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.

It was concluded that objective (a) was not achievable as:

- ▶ The Company had no external trade and existed solely as a non-trading holding company which provided certain central group functions;
- ▶ The Company had minimal assets other than inter-company balances due from other Group companies; and

- ▶ The Company had significant liabilities with no means of settling them.

The reliance of the wider corporate group on the services (including employees) provided by Extentia meant it was not practical to place the Company into liquidation. This was primarily due to the time lag to effect a liquidation which would have adversely affected the wider group of companies and limited the prospect of preserving employment for certain Extentia employees elsewhere in the corporate group.

As a result, the protection of the Administration moratorium provided protection from creditor action and provided a platform to realise value from the Company's intercompany debtor balances in order to maximise creditor returns (including a prescribed part distribution to the unsecured creditors).

At the time of preparing the Proposals, the Joint Administrators pursued objective (c), namely, to realise assets to make a distribution to the secured and preferential creditors. Arguably, an improvement outcome has been achieved due to successfully realising the intercompany balances in full thus resulting in a dividend to unsecured creditors.

The end of the Administration

It was proposed that if at the end of the Administration the Company has no property which might permit a distribution to its creditors other than by way of the Prescribed Part, the Joint Administrators would send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment would come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice.

Approval of the Proposals

The Company had 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, The Administrator did not seek a decision of the creditors on the approval of the proposals.

The Joint Administrators were obliged to seek a decision of the creditors if requested to do so by creditors of the company whose debts amount to at least 10% of the total debts of the company.

No request from creditors was received and the Proposals were deemed approved on 6 May 2020.

There have been no major amendments or deviations from the Proposals.

Summary of steps taken during the Administration

The details of asset realisations in the Administration are set out in the previous progress report.

Since our previous progress report dated 25 September 2023, the following matters have been carried out:

- Settled all liabilities incurred during the course of the Administration;
- Submitted final corporation tax and VAT returns, and obtained clearance from HMRC;
- Distributed residual sums to the secured creditor;

- Produced the necessary documents to assign any future realisations to the secured lenders; and
- Obtained discharge from liability from the secured and preferential creditors

Distributions to creditors

Secured creditors

The secured lenders were HSBC UK Bank plc (“HSBC”) and Toscafund GP Limited (“Tosca”).

The Company had secured indebtedness of c.£48.6m at the date of appointment which related to cross guarantees provided in favour of HSBC and Tosca.

At appointment, both HSBC and Tosca both had fixed and floating charges over the assets of the Company in the following order of priority:

- HSBC – c.£20.9m; then
- Tosca – c.£27.7m

A cash distribution of £110,338 was paid to Tosca under its floating charge security on 8 October 2021 and this is reflected in the receipts and payments account. These funds were distributed pursuant to the direction given by HSBC under the terms of the settlement of the intercompany receivable.

A further cash distribution of £30,700 was paid on 16 November 2023.

Realisations in the Administration will be insufficient to discharge the secured indebtedness in full.

Preferential creditors

Preferential creditor claims totalling £3,156 were paid in full on 30 April 2021.

Non-preferential creditors

The Administrators paid a maximum prescribed part of £600,000 (before costs of dealing with the prescribed part) on 13 October 2021. This equated to 1.2p in the £.

The receipts and payments account only reflects the cash required to settle the proportion of the Prescribed Part payable to third party unsecured creditors along with costs of the Administration. The remaining realisations are on a non-cash basis as a significant proportion of unsecured claims were subordinated in favour of the secured creditors.

Prescribed Part

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 and therefore applied in this Administration.

Notice of no further dividend

In accordance with Rule 14.37(2) of the Insolvency (England and Wales) Rules 2016, I give notice that we are unable to declare any further dividend to preferential or non-preferential creditors because the funds realised have already been distributed or used or allocated for paying the expenses of the Administration.

Details of assets still to be realised

There remains potential for future recoveries from Company claims in the insolvent estates of other Group companies, namely Styles & Wood Group Limited (“SWGL”). Potential recoveries from these claims have been assigned to the secured creditor as sole beneficiary.

Receipts and payments account

A summary of our receipts and payments for the period from 28 February 2020 to 30 November 2023 is attached at Appendix 2.

Investigations

As set out in the previous reports to creditors, we have undertaken investigations into the Company’s affairs, in accordance with Statement of Insolvency Practice 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986, with the required statutory returns made to the Insolvency Services. No third-party funding has been provided for any investigations.

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 website 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.

The Proposals stated that in the event a creditors’ meeting was not requisitioned and a creditors’ committee was not formed, the Joint Administrators would seek to have their remuneration fixed by the secured and preferential creditors, in accordance with Rule 18.8(4) of the Insolvency (England and Wales) Rules 2016.

The Administrators’ remuneration was fixed on a time cost basis via a decision of the secured and preferential creditors on 16 October 2020.

During the period covered by this report we have incurred remuneration of £15,634 resulting in total time costs to date of £216,589.

Total fees of £142,049 have been drawn to date which is below the revised fee estimate dated 21 October 2022. This includes fees paid from amounts invoiced by the Company to a third party under a cost cover arrangement.

No further fees will be drawn, and the Administrators will not recover their time costs in full.

As previously reported, the Administrators' time costs exceeded the original fee estimate dated 23 April 2020. The reasons for this were set out in the previous progress reports and resulted in a revision to the fee estimate. The revised fee estimate was approved by decision of the secured and preferential creditors on 18 November 2022.

In summary, the reasons for the increase included a combination of factors including additional time to settle the intercompany receivables due to the complexity of the balances and the composition of cash and non-cash consideration, unforeseen work arising due to Covid-19, unforeseen work relating to the debt structure of the wider group and investigating potential rights of action available to the Company.

An analysis of time spent along with comparison to the revised fee estimate dated 21 October 2022 is attached at Appendix 4. A description of work undertaken in relation to the time cost categories is also provided at Appendix 4.

Joint Administrators' statement of expenses incurred

During the period covered by this report we have not incurred any expenses.

Further detailed commentary and analysis in relation to the expenses of the Administration is provided at Appendix 3.

The expenses incurred in the Administration have exceeded those estimates provided in the expense estimate dated 23 April 2020 primarily due to data hosting fees and the level of legal fees incurred. Detailed explanations have been provided in previous reports.

The outcome of the Administration

In accordance with the terms of the Proposals, as there are no further assets to be realised or distributions to be made, the Company will move from Administration to dissolution. The Administration will come to an end on the date on which the notice is registered by Companies House and the Company will be deemed to be dissolved three months later.

Should you have any remaining questions about the Administration, please do not hesitate to contact Bridie Clews at this office.

Yours faithfully
for the Company



C G J King
Joint Administrator

C G J King and S J Woodward are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and C G J King, who act as agents of the Company only and without personal liability.

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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, The Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
Court reference:	CR2020-LDS-000229
Registered name of the Company:	Extentia Group Limited
Registered office address of the Company:	C/o Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Registered number:	09511322
Date of appointment of the Joint Administrators:	28 February 2020
Details of any changes of Administrator:	Robert Hunter Kelly resigned from his position as Joint Administrator on 24 June 2022
Full names of the Administrators:	Samuel James Woodward and Charles Graham John King
Office holder numbers:	12030 / 8985
Administrators' addresses:	C G J King of Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR and S J Woodward of Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3DF
Telephone number:	0113 298 2292
Name of alternative person to contact with enquiries about the case:	Bridie Clews

Appendix 2

Extentia Group Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments to 30 November 2023

Statement of Affairs Estimated to Realise Values (£)	From 28/02/20 to 27/08/23	From 28/08/23 to 30/11/23	Total
	£	£	£
Receipts			
9,435,000	-	-	-
7,444,000	310,106	-	310,106
	25,000	-	25,000
	26,935	-	26,935
	153	108	261
16,879,000	362,195	108	362,302
Payments			
	135,049	7,000	142,049
	17,064	-	17,064
	46,651	-	46,651
	194	-	194
	63	-	63
	11	-	11
	199,032	7,000	206,032
Net realisations	163,163	(6,892)	156,270
Distributions			
	110,338	30,700	141,038
	3,156	-	3,156
	12,052	-	12,052
	125,546	30,700	156,246
Funds in Hand			
Cash at Bank			24
Net VAT receivable/payable			-
			24

Notes

- Receipts and payments are stated net of VAT.
- The Receipts and payments account reflects the cash only element of the floating charge intercompany settlement. This relates to the sum required to settle Administration costs, preferential creditor claims and the proportion of the Prescribed Part payable to third party unsecured creditors. The remaining balance was settled on a non-cash basis. .
- The settlement of the c.£9.4m intercompany receivable under the fixed charge was on a non-cash basis.
- Status of the Administration bank accounts were amended to be non-interest-bearing from 5 September 2023. The £108 recognised in the period reflects the final interest on account.
- A cash balance of £24 has been retained as a provision for final charges.

Appendix 3

Extentia Group Limited (in Administration)

Summary of Joint Administrators' expenses incurred to 30 November 2023

	Per estimate dated 23.04.20	Paid to 27.08.23	Paid in the period	Outstanding	Total to 30.11.23
£					
Legal fees	(10,000)	(46,651)	-	-	(46,651)
Public Notices	(190)	(194)	-	-	(194)
Sundry expenses	-	(63)	-	-	(63)
Storage costs	(500)	-	-	-	-
Bank charges and interest	-	(11)	-	-	(11)
Total	(10,690)	(46,919)	-	-	(46,919)
<u>Category 1 disbursements (see note 2)</u>					
Specific Penalty Bond	(420)	(420)	-	-	(420)
Hosting Fees	-	(16,644)	-	-	(16,644)
Travel costs (excluding mileage)	-	-	-	-	-
	(420)	(17,064)	-	-	(17,064)
<u>Category 2 disbursements (see note 2)</u>					
Mileage	-	-	-	-	-
Internal bulk copying, printing and postage	-	-	-	-	-
	-	-	-	-	-
Total	(11,110)	(63,983)	-	-	(63,983)

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

Extentia Group Limited (in Administration)

Joint Administrators' time costs to 30 November 2023

	Per revised fee estimate dated 21 October 2022			Actual in this report period			Total actual to 30 November 2023		
	Total hours	Time costs (£)	Average hourly	Total hours	Time costs (£)	Average hourly	Total hours	Time costs (£)	Average hourly
			rate (£)			rate (£)			rate (£)
Accounting & Administration	58	13,664	236	7	1,822	246	91	21,243	234
Bank & Statutory Reporting	176	48,491	276	11	3,039	281	174	45,255	259
Creditors	67	17,069	255	1	290	290	66	16,899	257
Debtors	34	11,848	348	-	-	-	34	11,848	351
Employee Matters	101	25,666	254	-	-	-	122	30,611	251
Immediate Tasks	2	770	385	-	-	-	2	770	385
Investigation & CDDA	32	10,918	341	-	-	-	37	12,381	336
Legal Issues	85	23,982	282	5	1,925	385	88	25,749	294
Other Assets	2	578	289	1	232	290	2	810	352
Other Matters	6	1,541	257	-	-	-	15	3,496	239
Prescribed Part	67	17,728	265	-	-	-	67	17,728	267
Statutory Duties	71	19,350	273	26	6,503	253	84	20,855	249
VAT & Taxation	33	8,588	260	6	1,823	285	35	8,946	257
Total	257	200,190	274	57	15,634	274	815	216,589	266

Summary of work

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

- **Accounting and Administration** – includes general administrative duties, such as cashiering and treasury, filings, as well as maintaining the Joint Administrators' accounting records.
 - **Bank and Statutory Reporting** – includes statutory reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, separate reporting to the secured lenders, six monthly progress reports and filings of documents at Companies House.
 - **Creditors/Members** – relates to correspondence with creditors and members and answering specific creditor/member queries. Time has also been spent investigating creditor positions under potential guarantee claims and corresponding with creditors in this regard.
 - **Debtors** - pursuing the outstanding debts due to the Company, most notably, intercompany debtor balances and achieving settlement agreements in respect of these.
 - **Employee Matters** – there were 11 employees of the Company at the date of appointment and 17 who had recently transferred to other group companies. The time spent relates to dealing with former employees of the Company, including assistance with their preferential creditor claims and paying those claims. It also relates to dealing with retained employees, including processing payroll and dealing with employees that had transferred to other Group companies.
- Immediate Tasks** – relates to carrying out on appointment tasks and duties such as speaking with the Company directors, requesting key items of information, and carrying out day 1 activities.
- **Investigations** – carrying out investigations required by Statement of Insolvency Practice No.2 and any matters which the Administrators are made aware of by creditors or other parties.

- **Legal Issues** – relates to general legal advice during the Administration. It also includes undertaking work associated with the assignment of claims (which is principally recoverable from the Assignee) and general amendments to the inter Group lending facilities.
- **Other Assets** – time spent ascertaining whether the Company has any other realisable assets.
- **Other Matters** – relates to time spent on matters arising from the Administration.
- **Prescribed Part Matters** – time spent in adjudicating unsecured creditor claims and making payment of the unsecured dividend. We would highlight that the time spent on this area of the Administration will be funded directly from the Prescribed Part as a cost of dealing with the Prescribed Part.
- **Statutory Duties** – time spent in complying with statutory matters and filing statutory returns.
- **VAT and Taxation** - investigating the Company's VAT and corporation tax position up to the date of appointment, preparation and submission of VAT and corporation tax returns for the post appointment period.