

# AM03 (Scot)

## Notice of administrator's proposals



Companies House

SATURDAY



\*S8ZTNEGI\*  
SCT 29/02/2020 #31  
COMPANIES HOUSE

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number | S | C | 3 | 7 | 7 | 4 | 1 | 6

Company name in full | Houseology Design Group Ltd

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

### 2 Administrator's name

Full forename(s) | Stuart

Surname | Robb

### 3 Administrator's address

Building name/number | Leonard Curtis

Street | 4th Floor

58 Waterloo Street

Post town | Glasgow

County/Region

Postcode | G | 2 | | 7 | D | A | |

Country

### 4 Administrator's name

Full forename(s) | Michelle

Surname | Elliot

① Other administrator  
Use this section to tell us about another administrator.

### 5 Administrator's address

Building name/number | Leonard Curtis

Street | 4th Floor

58 Waterloo Street

Post town | Glasgow

County/Region

Postcode | G | 2 | | 7 | D | A | |

Country

② Other administrator  
Use this section to tell us about another administrator.

AM03 (Scot)  
Notice of Administrator's Proposals

**6** Statement of proposals

I attach a copy of the statement of proposals

**7** Sign and date

Administrator's  
Signature

Signature

X



X

Signature date

<sup>d</sup> 2 <sup>d</sup> 7

<sup>m</sup> 0 <sup>m</sup> 2

<sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 0

# AM03 (Scot) Notice of Administrator's Proposals

## Presenter information

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

Contact name **Andrew Cochrane**

Company name **Leonard Curtis**

Address  
**4th Floor**  
**58 Waterloo Street**  
**Glasgow**

Post town

County/Region

Postcode **G 2**  **7 D A**

Country

DX

Telephone **0141 212 2060**

## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

## Important information

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

## Where to send

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

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh.

## Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**HOUSEOLOGY DESIGN GROUP LTD  
(IN ADMINISTRATION)**

Registered Number: SC377416

Court Ref: P65/19

Court of Session, Edinburgh

**Joint Administrators' Report and Statement of Proposals in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (Scotland) (Company Voluntary Arrangement and Administration) Rules 2018**

**Report date: 27 February 2020**

**Date report deemed to be delivered to creditors: 27 February 2020**

**Leonard Curtis contact details:**

**4th Floor, 58 Waterloo Street, Glasgow,  
G2 7DA**

**Tel: 0141 212 2060**

**General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)**

**Email for requests for a physical meeting: [GLASGOW.meetingreq@leonardcurtis.co.uk](mailto:GLASGOW.meetingreq@leonardcurtis.co.uk)**

**Ref: G/44/ACO/H016G/1040**

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**TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL EMPLOYEES  
ALL MEMBERS**

## **1 INTRODUCTION**

### **General information**

- 1.1 I refer to the appointment of Michelle Elliot and I as Joint Administrators ("the Joint Administrators") of Houseology Design Group Ltd ("the Company") on 23 January 2020 and now write to present the Joint Administrators' Proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Paragraph 3 of Schedule B1 to the Act requires the Joint Administrators to perform their functions with the objective of:
- a) Rescuing the Company as a going concern; or
  - b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
  - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Paragraph 51(1) of Schedule B1 to the Act ordinarily requires the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the Joint Administrators state that they think:
- a) That the Company has sufficient property to enable each creditor of the company to be paid in full; or
  - b) That the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of a distribution of the prescribed part fund; or
  - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of a distribution of the prescribed part fund. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
  - A statement of the requesting creditor's claim, together with:
    - A list of the creditors concurring with the request and the amount of their respective claims or values; and
    - Confirmation of concurrence from each creditor concurring. OR
  - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.
- The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (Scotland) (Company Voluntary Arrangement and Administration) Rules 2018 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

**Notice of an invitation to creditors to form a Creditors' Committee**

- 1.7 Although no dividend is expected to be paid to unsecured creditors in this case, creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.8 Attached at Appendix H is Notice of an Invitation to Creditors to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by 13 March 2020 and can only be accepted if the Joint Administrators are satisfied as to the creditor's eligibility under Rule 3.74 of the Rules.
- 1.9 In order to assist them in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

**2 STATUTORY INFORMATION**

- 2.1 The Administration proceedings are under the jurisdiction of the Court of Session, Edinburgh under Court reference P65/19.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from 28 Speirs Wharf, Glasgow, G4 9TG, to 4th Floor, 58 Waterloo Street, Glasgow, G2 7DA. The registered number is SC377416. The Company traded as its registered name.
- 2.4 The Company operated from Leasehold premises at 28 Speirs Wharf, Glasgow, G4 9TG.
- 2.5 The Company's directors and secretary per Companies House at 27 February 2020 are:

Name	Role	Date Appointed	Resignation Date
Laura Marie Jamieson	Company secretary	22 July 2019	N/A
David James Martin	Director	1 December 2018	N/A
Shane Alexander Corstorphine	Director	1 July 2019	N/A
William Cristopher Currie	Director	14 October 2016	N/A
William Dobbie	Director	22 April 2014	N/A
Laura Marie Jamieson	Director	22 July 2019	N/A
John Andrew Whitecross Russell	Director	14 November 2016	N/A
Wendy Jane Clarke	Director	23 April 2010	30 June 2011
Jill Little	Director	4 March 2014	3 April 2016
Iain McDonald	Director	11 April 2014	9 January 2018
Stuart David McGhie	Director	3 January 2018	7 September 2018
James Mooney	Director	23 April 2010	27 October 2017
Kathleen Winifred Mooney	Director	23 April 2010	30 November 2016
Paul O'Donnell	Director	1 December 2018	5 July 2019
Robert Alan Willett	Director	28 February 2014	31 December 2015

- 2.6 The Company's authorised share capital is £590,863. The issued share capital comprises 590,863 ordinary £1 shares, and a detailed list is provided at Appendix I.

2.7 According to the information registered at Companies House, the Company has the following registered charges:

<b>Chargeholder</b>	<b>Date created</b>	<b>Description</b>	<b>Assets Charged</b>
Salvators Lending Limited William Dobbie Terence Leahy William Currie	17 October 2018	Floating Charge	All Company Assets
William Currie	19 November 2018	Floating Charge	All Company Assets

2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

### **3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

- 3.1 The Company was incorporated in April 2010 and commenced trading as an online retailer of designer branded furniture, lighting and accessories for inside and outside the home from leasehold premises at 28 Speirs Wharf, Glasgow, G4 9TG.
- 3.2 After accumulating trading losses as a result of a severe flood to the Company's warehouse in October 2019, which damaged approximately 90% of the Company's stock and caused significant business disruption, together with poor e-commerce trading across the Christmas period and into January 2020, the Company started to experience significant cashflow issues. As a result, the Company began to rely heavily on funding being provided by the related entities. With the directors seeing no sign of improvement in the short to medium term, that would allow the Company to continue to trade whilst managing its liabilities, the directors took the steps to explore its options.
- 3.3 Amidst increasing creditor pressure, a decision was taken by the board of directors that the Company could not avoid insolvency and that the Company should be placed into Administration.
- 3.4 A Notice of Appointment of Administrators' was subsequently filed at Court on 23 January 2020.



**4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION**

4.1 The balance sheets as at 31 December 2017 and 31 December 2018 are detailed below:

	Signed 31 Dec 18 £	Signed 31 Dec 17 £
<b>Fixed Assets</b>		
Intangible assets	248,993	201,902
Tangible assets	57,442	101,160
Investments	1,481,095	1,481,095
	<u>1,787,530</u>	<u>1,784,157</u>
<b>Current Assets</b>		
Stocks	28,516	28,464
Debtors	48,314	39,676
Cash at bank and in hand	134,142	63,704
	<u>210,972</u>	<u>131,844</u>
Creditors: amounts falling due within one year	<u>(2,105,450)</u>	<u>(1,917,893)</u>
<b>Net Current Assets/(Liabilities)</b>	<u><b>(1,894,478)</b></u>	<u><b>(1,786,049)</b></u>
Total Assets less Current Liabilities	(106,948)	(1,892)
Creditors: amounts falling due after more than year	(571,692)	(172,292)
Provisions for liability	-	(125,000)
<b>Net Liabilities</b>	<u><b>(678,640)</b></u>	<u><b>(299,184)</b></u>
<b>Represented by</b>		
Called up share capital	520,591	520,591
Profit and Loss account	8,227,015	7,374,813
Share premium reserve	(9,426,246)	(8,194,588)
<b>Shareholders' Funds</b>	<u><b>(678,640)</b></u>	<u><b>(299,184)</b></u>

**Statement of Affairs**

4.2 A statement of affairs of the Company as at 23 January 2020 was submitted to me by the directors, and this has been filed with the Registrar of Companies. A summary is enclosed at Appendix B.

4.3 Please note that no provision has been made for the costs and expenses of realisation, costs of the Administration, and any corporation tax which may be payable.

**Floating Charges**

4.4 The Company granted a floating charge in favour of William Currie, Salvators Lending Limited, William Dobbie and Sir Terence Leahy dated 17 October 2018 and registered on 24 October 2018.

4.5 The Company also granted a second floating charge in favour of William Currie dated 19 November 2018 and registered on 26 November 2018.

4.6 We anticipate that the first ranking floating charge holder will receive a distribution under their security, however, the level of any distribution will be dependent on final asset realisations.

4.7 We do not anticipate a return to the second ranking floating charge holder.

#### **Prescribed Part**

- 4.8 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Joint Administrators must make a *prescribed part of the Company's net property available to the unsecured creditors* and not distribute it to the floating charge holder, except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 4.9 The method of calculating the prescribed part and additional notes as regards its application are detailed in Appendix B.
- 4.10 Based upon the information currently available, it is estimated that there will be a prescribed part fund available in this case. In instances where there will be no dividend to unsecured creditors, as is the case here, the prescribed part fund will be distributed at the appropriate time by the Joint Administrators.

#### **Preferential Claims**

- 4.11 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 4.12 We currently estimate that the amount of preferential claims are approximately £20,671.
- 4.13 At present, we anticipate that preferential creditors will receive a dividend, however, the quantum and timing of that dividend will be dependent on recoveries from the Company's realisable assets.

#### **Unsecured Claims**

- 4.14 At present, it is considered unlikely that a liquidator will be appointed for the purpose of enabling a distribution to unsecured creditors. This statement is being made in accordance with Paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix G. These will enable the Joint Administrators to pay any prescribed part dividend referred to in Paragraph 4.7 above. The claims will also be collated and passed to any subsequently appointed Liquidator, should the position change.

#### **Receipts and Payments**

- 4.15 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

### **5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT**

#### **Sale of Business**

- 5.1 Following a review of the Company's financial position and based on a number of factors, including the level of possible retention of title ("ROT") claims and lack of available funding, it was considered too high risk for the Joint Administrators to continue to trade the business.
- 5.2 Immediately upon our appointment, we attended the Company's trading premises on 23 January 2020 at Speirs Wharf, Glasgow to advise employees of the Administration appointment. Staff were briefed with regards to the Administration and that the Company could no longer continue to trade. 22 members of staff were made redundant with immediate effect and our staff have been working with the relevant Government departments to ensure that the employee claims are progressed as efficiently as possible. 2 members of staff were made redundant to assist the Joint Administrators with the orderly wind down.
- 5.3 We have now marketed what remained of the business infrastructure for sale and accordingly, a break up strategy has been adopted as outlined below.

#### **Stock – Retention of Title**

- 5.4 Two employees were retained by the Joint Administrators to assist with the significant volume of ROT claims, prepare the stock lists for suppliers to identify their stock and if approved, make arrangement for the uplift of their goods.
- 5.5 At the date of the Joint Administrators' appointment, the Company held £68,762 of stock, at cost, within third party premises located in Oxford. Stock suppliers were sent notification of the Joint Administrators' appointment forthwith, together with a request to submit any claims for ROT.

5.6 Of the Company's 33 suppliers, our staff engaged with 14 suppliers regarding their ROT claims. Time was spent reviewing their terms and conditions, facilitating inspection of their stock and subsequent removal of their stock from third party premises.

5.7 Once we had finalised the ROT stock position, and determined the level of unencumbered stock, it became apparent that after the removal of the ROT stock, including taking into consideration monies due to the landlord where they held a lien over stock for unpaid rent and costs, and thereafter transportation and agents costs to secure the stock and prepare ready for sale, the Joint Administrators and their agents, GMG Asset Valuation Ltd ("GMG"), concluded that the stock held no realisable value.

### **Stock - Unencumbered**

5.8 The Company had retained stock within a third party storage unit within Glasgow, which mainly consisted of faulty goods that were due to be sold at auction.

5.9 The Joint Administrators instructed GMG to prepare a stock list which was circulated to all known interested parties. Several offers were received for all, or some, of the stock. Following a short period of discussions, GMG have accepted an offer totalling £15,000, plus VAT, from an unconnected party. The offer was for the purchase of all stock held, with no conditions pertaining to future ROT claims.

### **Intellectual Property**

5.10 The Joint Administrators instructed Hilco Streambank to assess and market the Company's intellectual property, including the Houseology website.

5.11 A closing date for offers was set for 13 February 2020 and I am pleased to report that an offer has been accepted in principle and discussions are at an advanced stage. Further details will be provided in the Joint Administrators' first progress report.

### **Bank Account**

5.12 The Company operated a bank account with HSBC Bank Plc ("the Bank") and at the date of appointment, funds of £92k are expected to be held in the Company's bank account. We have written to the Bank to take control of these funds.

### **Business Interruption / Material Damage Claim**

5.13 As previously advised, the Company's ability to trade was significantly impacted in October 2019 due to the severe flooding at the Company's leasehold storage facility in Derbyshire, and access to the premises was cut off following the bridge into the area being swept away by severe floods.

5.14 The Company had submitted an insurance claim through its brokers for damages, i.e. loss of stock and business interruption.

5.15 An initial payment of £79k has been paid into the Company's pre-appointment bank account, and the Joint Administrators are in correspondence with the broker regarding a settlement of the outstanding claims.

5.16 The Joint Administrators will provide a further update, together with a note of any settlements in their first progress report to creditors.

### **Bureau Workspace Ltd ("Bureau")**

5.17 The Company own 100% of the issued share capital in Bureau. We are in correspondence with parties with regard to realising the Company's shareholding.

### **Other Assets**

5.18 The Company also utilised PayPal for its on-line purchases. We understand that funds totalling £10k are being held within a stop account and whilst we have contacted PayPal for an update, we have yet to receive a response.

### Professional Advisors Used

5.19 On this assignment, the Joint Administrators have used the following professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Shepherd & Wedderburn LLP	Legal advice	Time costs
GMG Asset Valuation Ltd	Asset valuation advice	Percentage
Hilco Streambank	IP Valuation & Sale	Fixed & percentage
Evolve	Handling of employee claims	Fixed costs

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix F.

## 6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or (if (a) and (b) cannot be achieved);
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 The first objective is not capable of being achieved given the extent of historic liabilities.

6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective is unlikely to be achieved as there is little prospect of a dividend to unsecured creditors, other than by way of a distribution of the prescribed part.

6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. This objective is likely to be achieved as there will be sufficient realisations to enable a distribution to the preferential creditors and the floating charge creditor, as detailed at Section 4.

## 7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.

7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.

7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.

7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Rules. Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.

7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

## 8 EXTENSION OF ADMINISTRATION

8.1 The appointment of Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:

- each secured creditor of the Company; and
- the preferential creditors of the Company.

8.3 The appropriate body of creditors will be contacted in due course should an extension be required.

## 9 PRE-ADMINISTRATION COSTS

9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Joint Administrator, or another person qualified to act as an insolvency practitioner before the Company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

9.2 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £11,008 have been incurred which represents 22.7 hours at a rate of £484.91 per hour.

9.3 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured and preferential to this resolution.

## 10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

### General

10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

### Approval by appropriate body

10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.

- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured and preferential creditors and the outcome will be reported to all creditors in due course.

**Information to be given to creditors**

- 10.4 The Joint Administrators wish, in this case, to seek the secured creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 10.5 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix F.
- 10.6 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration>

- 10.7 If you would prefer this to be sent to you in hard copy please email [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) or contact Andrew Cochrane of this office on 0141 212 2060.
- 10.8 The Joint Administrators also require approval in respect of the basis upon which they recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of the calculation of their recharge is also detailed in Appendix F. Specific expenditure relating to the Administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as case advertising and travel costs. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage of company records.

- 10.9 Summarised below are Category 1 and 2 disbursements incurred on the case since appointment:

**Category 1 disbursements**

Charged by	Services provided	Total amount pd by LC £	Amount recovered from case £	Amount still to be recovered from case £
Employee	Taxi fares, parking expenses	104.43	0.00	104.43
Pelstar Ltd	Software licence	21.00	0.00	21.00
EPE Reynell	Advertising	79.00	0.00	79.00
AUA Insolvency Risk Service	Bordereau fee	550.00	0.00	550.00

- 10.9 There have been no category 2 disbursements incurred during the period.

**11 RELEASE OF ADMINISTRATORS FROM LIABILITY**

- 11.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 11.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 11.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured and preferential creditors. The appropriate class of creditor will be contacted directly in this respect.

**12 NEXT REPORT**

12.1 Joint Administrators are required to provide a progress report which must be delivered within six weeks of the end of the next six months of the Administration, or earlier if the Administration has been finalised.

**13 CONCLUSION**

13.1 It is important that you give careful attention to this report and its Appendices.

13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Should you have any queries or require any further clarification please contact Andrew Cochrane at my office, in writing. Electronic communications should also include a full postal address.

Yours faithfully

For and on behalf of

**HOUSEOLOGY DESIGN GROUP LTD**



**STUART ROBB  
JOINT ADMINISTRATOR**

Stuart Robb is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants of Scotland under office holder number 19450 and Michelle Elliot is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants of Scotland under office holder number 22750

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

*It is proposed that:*

1. **The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.**
2. **If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.**
3. **If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL"). It is further proposed that that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.**
4. **Alternatively, if appropriate, the Joint Administrators apply to Court under Paragraph 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.**
5. **In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.**
6. **The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.**
7. **The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Stuart Robb and/or Michelle Elliot be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.**
8. **The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.**
9. **The Joint Administrators be authorised to distribute funds to the secured or preferential creditors as and when claims are agreed and funds permit.**
10. **Subject to any order of the court required under Paragraph 65 of Schedule B1 to the Insolvency Act 1986 (as amended), the Joint Administrators be authorised to distribute funds to the unsecured creditors as and when claims are agreed and funds permit.**



**DIRECTORS' SUMMARY STATEMENT OF AFFAIRS  
AS AT 23 JANUARY 2020**

	Notes	Book value £	Estimated realisable value £
<b>Assets subject to floating charge</b>			
Stock	1	126,736.41	23,365.36
Cash at bank	2	92,227.44	92,227.44
Material damage claim		79,950.27	79,950.27
Business interruption insurance		170,000.00	85,000.00
Fixed assets	3	42,512.64	-
Intangible assets	4	390,202.35	-
		<u>901,629.11</u>	<u>280,543.07</u>
Preferential creditors			<u>(20,671.31)</u>
<b>Net property available for prescribed part</b>			<b>259,871.76</b>
<b>Prescribed part calculation</b>			
50% of first £10,000	5		5,000.00
20% of balance			49,974.35
<b>Total prescribed part fund available</b>			<b>54,974.35</b>
Available for floating charge creditor			204,897.41
Floating Charge creditor	6		<u>(1,966,623.23)</u>
<b>Deficit as regards floating charge holder</b>			<b><u>(1,761,725.85)</u></b>
<b>Add back prescribed part available for unsecured creditors</b>			<b>54,974.35</b>
<b>Unsecured creditors</b>			<b>(1,695,674.75)</b>
<b>Estimated deficiency as regards unsecured creditors</b>			<b><u>(1,640,700.40)</u></b>

## NOTES TO THE DIRECTORS' STATEMENT OF AFFAIRS

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

### 1. Stock

Based on the Company's records, the Directors assumed £23k of the stock to be unencumbered.

*As previously advised, GMG have agreed a price for the Company's and an update will be provided in our next report.*

### 2. Cash at Bank

The Company operated a bank account with the HSBC Bank Plc and at the date of appointment, funds of £92k are held in the Company's bank account. We have written to the Bank to take control of these funds

### 3. Fixed Assets

The Company's office IT equipment is subject to a business lease agreement in favour of Hewlett Packard, who have made arrangements to uplift their equipment. Therefore, no recovery can be expected from this source.

### 4. Intangible Assets

The Joint Administrators have instructed Hilco Streambank to assess and market the Company's intellectual property, including trademark rights and Houseology website. An offer has been accepted in principle and further details will be provided in the Joint Administrators' first progress report.

### 5. Prescribed Part

This is a fund for unsecured creditors, to be set aside out of a Company's net property, known as the Prescribed Part of the Company's net property, and as provided for under Section 176A of the Insolvency Act 1986 (as amended).

Net property is the amount remaining from net floating charge realisations after payment of preferential claims, but before any distribution to the secured floating charge holder. The amount of the fund set aside for unsecured creditors is calculated as 50% of net property up to £10,000, plus, 20% of net property thereafter up to a maximum fund of £600,000

### 6. Floating Charge Creditors

The Company granted a floating charge in favour of William Currie, Salvators Lending Limited, William Dobbie and Terence Leahy dated 17 October 2018 and registered on 24 October 2018.

The Company also granted a second floating charge in favour of William Currie dated 19 November 2018 and registered on 26 November 2018

CREDITORS LIST FOR THE DIRECTORS' STATEMENT OF AFFAIRS

Name	Address	Amount of debt £	Details of security held	Date of security	Value of security £
See attached schedule		999,740			
Employees	24 employees with a total debt of	<u>81,316</u>			
	Total creditors	<u>1,081,056</u>			

**Creditor List**

H016G Houseology Design Group Ltd (ADM)

<b>Code</b>	<b>Name</b>	<b>Per S of A</b>	<b>Cred Claim</b>	<b>Admitted</b>	<b>Rejected</b>
C0122	@sipp Limited	5,364.17	0.00	0.00	0.00
C0143	23x.net	1,200.00	0.00	0.00	0.00
C0059	Addleshaw Goddard LLP	15,660.00	0.00	0.00	0.00
C0002	Alfresco Concepts Limited	5,150.94	0.00	0.00	0.00
C0003	Amazon Payments UK Ltd	0.02	0.00	0.00	0.00
C0147	American Express Merchant Risk Operations		0.00	0.00	0.00
C0004	Andrew Martin International Limited	12,017.57	14,206.07	0.00	0.00
C0005	Anglepoise Ltd	219.00	0.00	0.00	0.00
C0102	Anglian Water Business Ltd	469.97	0.00	0.00	0.00
C0006	Archimedes Logistics Ltd	5,828.00	6,629.00	0.00	0.00
C0001	Arrow Business Ltd	918.08	0.00	0.00	0.00
C0007	Asiatic Carpets	7,730.96	0.00	0.00	0.00
C0063	Ask Consult International	322.00	0.00	0.00	0.00
C0008	Aspen Solutions	186.61	0.00	0.00	0.00
C0146	Atradius Collections Ltd		0.00	0.00	0.00
C0052	Atrium Ltd	322.66	0.00	0.00	0.00
C0009	Attraqt Ltd	8,520.00	0.00	0.00	0.00
C0010	Authentic Models BV	3,018.62	0.00	0.00	0.00
C0011	Awin Ltd	2,430.31	0.00	0.00	0.00
C0012	Bancroft Soft Furnishings	565.97	0.00	0.00	0.00
C0013	Barrier Alarms Ltd	90.00	0.00	0.00	0.00
C0014	Baumhaus Ltd	4,104.31	0.00	0.00	0.00
C0015	Bespoke Atelier Ltd	286.20	286.20	0.00	0.00
C0016	Bluebellgray-Smallworld	216.68	0.00	0.00	0.00
C0017	Bolia International AS		0.00	0.00	0.00
C0018	Boyd Digital Ltd	8,820.00	0.00	0.00	0.00
C0019	Brendan Brawley	320.00	0.00	0.00	0.00
C0020	Brucs Home Decoration	65.00	0.00	0.00	0.00
C0021	Bureau Workspace Ltd	564,615.94	0.00	0.00	0.00
C0148	Business Loans Scotland		0.00	0.00	0.00
C0022	Case Furniture	1,455.01	0.00	0.00	0.00

## Creditor List

H016G Houseology Design Group Ltd (ADM)

Code	Name	Per S of A	Cred Claim	Admitted	Rejected
C0151	Catherine Lyons		369.58	0.00	0.00
C0023	Charlie Crane / Caliko		0.00	0.00	0.00
C0024	Chelsom Lighting & Furniture	2,453.40	0.00	0.00	0.00
C0025	Close Premium Finance	822.65	0.00	0.00	0.00
C0026	Cole & Son Wallpapers Limited	2,171.40	0.00	0.00	0.00
C0027	Concept Group Ltd		0.00	0.00	0.00
C0028	Corporate Washroom Services Ltd	78.00	0.00	0.00	0.00
C0029	DCW Editions	1,025.95	0.00	0.00	0.00
C0030	Deans Accountants and Business Advisors Ltd	450.00	0.00	0.00	0.00
C0031	Deknudt Mirrors - Euro	1,637.00	0.00	0.00	0.00
C0032	Designers Guild	3,770.10	3,785.70	0.00	0.00
C0033	Diary Directory Ltd	1,411.20	0.00	0.00	0.00
C0036	Dot Maller Ltd	2,853.60	0.00	0.00	0.00
C0037	DPD Group UK Ltd	188.84	0.00	0.00	0.00
C0039	EcoSpeed	738.00	0.00	0.00	0.00
C0041	Eden Scott Ltd	14,040.00	14,040.00	0.00	0.00
C0040	Eden Springs UK Ltd		0.00	0.00	0.00
C0042	EE	104.33	0.00	0.00	0.00
C0043	Elchhotz Overseas Decorations B.V	38,322.65	0.00	0.00	0.00
C0044	Elizabeth Types	400.00	0.00	0.00	0.00
C0045	Ellisons Solicitors	900.00	0.00	0.00	0.00
C0046	Elstead Lighting Ltd	391.80	0.00	0.00	0.00
C0047	Ethimo	14,208.51	0.00	0.00	0.00
C0048	Ethnicraft Euro	11,645.60	0.00	0.00	0.00
C0049	Eurooffice Ltd	12.95	0.00	0.00	0.00
C0135	F.Ferreira Da Silva - Euro		0.00	0.00	0.00
C0050	Fermob SA		0.00	0.00	0.00
C0051	FINK Living GmbH & Co KG	420.08	0.00	0.00	0.00
C0053	Foscarini SpA	1,302.82	0.00	0.00	0.00
C0054	Francotyp Postalia Ltd		0.00	0.00	0.00
C0056	Fruitful Office Ltd	48.56	0.00	0.00	0.00

## Creditor List

H016G Houseology Design Group Ltd (ADM)

Code	Name	Per S of A	Cred Claim	Admitted	Rejected
C0057	Gallery Direct Ltd	12,010.78	0.00	0.00	0.00
C0058	Garden Trading	287.32	0.00	0.00	0.00
C0060	Glasgow City Council	5,624.00	0.00	0.00	0.00
C0061	Google AdWords	14,962.13	0.00	0.00	0.00
C0150	Greyline Design Ltd		3,324.74	0.00	0.00
C0062	Gubi A/S (Euro)	8,278.90	0.00	0.00	0.00
C0064	Heathfield & Co	7,115.45	0.00	0.00	0.00
C0065	Hewlett Packard	1,130.30	0.00	0.00	0.00
C0066	Highland Network Ltd	39.00	0.00	0.00	0.00
C0067	HNH Partners Ltd	6,000.00	0.00	0.00	0.00
C0069	Hugo Park Ltd		0.00	0.00	0.00
C0070	Humanscale	511.65	0.00	0.00	0.00
C0068	HVL Group International B.V		0.00	0.00	0.00
C0072	It's about Romi	3,708.90	0.00	0.00	0.00
C0073	Ivyline	525.14	0.00	0.00	0.00
C0074	Jimmie Martin Ltd	880.44	0.00	0.00	0.00
C0076	Judith Lawrence	1,500.00	2,000.00	0.00	0.00
C0154	Karen Oliver Design Ltd		1,144.50	0.00	0.00
C0077	Kartell SpA	1,352.94	0.00	0.00	0.00
C0079	Kiddi Vouchers	130.69	0.00	0.00	0.00
C0078	Kids at Home Distribution - Nuble	603.60	0.00	0.00	0.00
C0080	Knightsbridge Furniture Productions Ltd	333.60	0.00	0.00	0.00
C0081	Kuehne & Nagel Ltd	3,643.28	0.00	0.00	0.00
C0149	Lambart and Browne Procurement Limited		875.00	0.00	0.00
C0082	Lamh Recycle Ltd	30.00	0.00	0.00	0.00
C0083	Lee Broom		0.00	0.00	0.00
C0084	Lene Bjerre	2,848.97	0.00	0.00	0.00
C0085	Lens Self Storage	3,191.20	0.00	0.00	0.00
C0087	Lock Stock and Barrel Ltd	132.00	0.00	0.00	0.00
C0088	Loominology - Euro	397.00	0.00	0.00	0.00
C0089	Louis Poulsen UK Limited	504.00	3,309.02	0.00	0.00

## Creditor List

H016G Houseology Design Group Ltd (ADM)

<b>Code</b>	<b>Name</b>	<b>Per S of A</b>	<b>Cred Claim</b>	<b>Admitted</b>	<b>Rejected</b>
C0090	Macintosh at the Willow	446.00	0.00	0.00	0.00
C0091	Mater A/S		0.00	0.00	0.00
C0086	MFUK Design & Furniture Ltd	13,958.95	13,705.63	0.00	0.00
C0093	Moooi UK Ltd	1,074.54	0.00	0.00	0.00
C0094	Morso UK Ltd	2,938.00	0.00	0.00	0.00
C0075	Mr J P Currie	240.00	0.00	0.00	0.00
C0095	Muuto		258.44	0.00	0.00
C0096	My Paradissi	120.00	0.00	0.00	0.00
C0097	Newgate	99.75	0.00	0.00	0.00
C0035	Nordlux UK Ltd	188.86	0.00	0.00	0.00
C0098	Norfolk Leisure Lifestyles Ltd	81.00	0.00	0.00	0.00
C0099	Normann Copehagen	3,765.59	0.00	0.00	0.00
C0100	NORR11 GmbH		0.00	0.00	0.00
C0101	Northern.no AS	711.36	0.00	0.00	0.00
C0153	Orsini SPI LLC		8,242.02	0.00	0.00
C0103	Papersdirect Glasgow	174.90	0.00	0.00	0.00
C0104	Parker Software LTD	444.00	0.00	0.00	0.00
C0105	Pieter Adam (Euro)		0.00	0.00	0.00
C0106	Pinnacle support	9,079.82	0.00	0.00	0.00
C0145	Pinsent Masons LLP	6,000.00	0.00	0.00	0.00
C0109	PR Shots Services Ltd	1,440.00	0.00	0.00	0.00
C0107	Premier Housewares Ltd	4,251.40	0.00	0.00	0.00
C0108	Pro Living	686.00	0.00	0.00	0.00
C0110	Rama Carpets	11,030.76	0.00	0.00	0.00
C0111	Red Edition Euro	10,236.00	0.00	0.00	0.00
C0034	Rematch Credit Ltd		0.00	0.00	0.00
C0055	Republic of Fritz Hansen	359.43	0.00	0.00	0.00
C0113	Richmond Interiors		0.00	0.00	0.00
C0114	Riviera Maison	2,689.20	2,689.20	0.00	0.00
C0115	RV Astley Ltd	1,215.24	0.00	0.00	0.00
C0116	Safestore Self Storage	109.19	0.00	0.00	0.00

## Creditor List

H016G Houseology Design Group Ltd (ADM)

Code	Name	Per S of A	Cred Claim	Admitted	Rejected
C0117	SBID	172.00	0.00	0.00	0.00
C0118	Scale Up Consulting Ltd	21,425.16	0.00	0.00	0.00
C0119	Scottish Power	3,434.30	0.00	0.00	0.00
C0121	Shepherd & Wedderburn	16,648.20	39,554.82	0.00	0.00
C0123	Skagerak Denmark A/S		0.00	0.00	0.00
C0124	Skargaarden International AB	790.00	0.00	0.00	0.00
C0112	Sonder Living (UK) Ltd	13,428.48	0.00	0.00	0.00
C0120	Stephen Harrison Electrical	318.00	0.00	0.00	0.00
C0125	Tala Energy Ltd	289.51	0.00	0.00	0.00
C0092	The Media Firm	1,368.80	0.00	0.00	0.00
C0144	The Odd Piece Ltd		4,671.12	0.00	0.00
C0071	Time Inc	525.00	0.00	0.00	0.00
C0126	Timorous Beasties	7,454.53	11,983.73	0.00	0.00
C0127	Tom Dixon	12,966.21	0.00	0.00	0.00
C0128	TopCashback	1,200.00	0.00	0.00	0.00
C0129	Total Cleaning Scotland	933.34	0.00	0.00	0.00
C0130	Tradition A/S	170.40	0.00	0.00	0.00
C0131	Ultra Office Furniture Installations	770.40	0.00	0.00	0.00
C0132	Urbanmint Design Euro		0.00	0.00	0.00
C0133	USM	755.42	0.00	0.00	0.00
C0134	UXL Ltd	1,560.00	0.00	0.00	0.00
C0136	Vincent Sheppard		0.00	0.00	0.00
C0137	Virgin Media Business - office only	1,250.40	0.00	0.00	0.00
C0152	Whitessence SRL		15,775.00	0.00	0.00
C0138	Wildwood Public Relations Ltd	5,400.00	0.00	0.00	0.00
C0139	William Yeoward	3,188.10	0.00	0.00	0.00
C0140	World Options	561.64	0.00	0.00	0.00
C0141	XVL Project SA		0.00	0.00	0.00
C0038	Zuiver BV t/a Dutchbone	8,213.17	14,866.03	0.00	0.00
C0142	ZX Digital Ltd	540.00	0.00	0.00	0.00
		<b>£999,739.80</b>	<b>£161,715.80</b>	<b>£0.00</b>	<b>£0.00</b>



SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM  
23 JANUARY 2020 TO 27 FEBRUARY 2020

Statement Of Affairs		From 23/01/2020 To 27/02/2020
	<b>FLOATING CHARGE ASSETS</b>	
78,950.27	Material Damages Claim	0.00
85,000.00	Business Interruption Claim	0.00
23,365.36	Stock - Glasgow	0.00
82,227.44	Balance at Bank	0.00
		<u>0.00</u>
	<b>PREFERENTIAL CREDITORS</b>	
(20,871.31)	Preferential Creditors	0.00
		<u>0.00</u>
	<b>UNSECURED CREDITORS</b>	
(999,739.80)	Trade and Expense Creditors	0.00
		<u>0.00</u>
<u>(739,868.04)</u>		<u>0.00</u>

## SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Director		Manager 1		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	
Financial assessment	88	4,620.00	-	-	88	4,620.00	525.00
Strategy & purpose evaluation	69	3,622.50	20	790.00	89	4,412.50	495.79
Preparation of documents	-	-	50	1,975.00	50	1,975.00	395.00
<b>Total</b>	<b>157</b>	<b>8,242.50</b>	<b>70</b>	<b>2,765.00</b>	<b>227</b>	<b>11,007.50</b>	
<b>Average Hourly Rate (£)</b>		<b>525.00</b>		<b>395.00</b>		<b>484.91</b>	

All Units are 6 minutes

## DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

### Financial Assessment

- Discussions with the directors regarding the stock, staffing levels and trading costs; and
- Review of asset position including third party stock, potential ROT claims and possible landlord hypothec.

### Strategy & Purpose Evaluation

- Developing a going concern trading strategy as well as a closure strategy pending an analysis of the current contract position;
- Staff meeting to discuss strategy and employee meeting; and
- Liaise with agents to set up dedicated call centre to assist with creditor enquiries.

### Preparation of Documents

- Review of the appropriate appointment documentation to be submitted to the Court;
- Providing consents to act in respect of the proposed Administrators;
- Correspondence with Evolve in preparation of the redundancy meeting;
- Correspondence with the Redundancy Payments Service to set up case reference prior to redundancy meeting; and
- Preparation of forms and information to present to the employees on Day 1 of appointment.

## APPENDIX E

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS  
FROM 23 JANUARY 2020 TO 27 FEBRUARY 2020

	Director		Manager 1		Manager 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	28	1,106.00	-	-	-	-	-	-	28	1,106.00	395.00
Insurance	-	-	14	553.00	-	-	-	-	-	-	14	553.00	395.00
Assets	9	472.50	509	20,105.50	2	69.00	6	136.00	-	-	526	20,785.00	395.15
Liabilities	72	3,780.00	287	11,336.50	-	-	229	5,267.00	54	891.00	642	21,274.50	331.38
Landlords	-	-	60	2,370.00	-	-	-	-	-	-	60	2,370.00	395.00
General Administration	-	-	123	4,858.50	-	-	4	92.00	47	775.50	174	5,726.00	329.08
Appointment	12	630.00	17	671.50	-	-	27	621.00	4	66.00	60	1,988.50	331.42
Planning & Strategy	34	1,785.00	-	-	15	517.50	-	-	-	-	49	2,302.50	469.90
Investigations	-	-	12	474.00	-	-	-	-	-	-	12	474.00	395.00
<b>Total</b>	<b>127</b>	<b>6,667.50</b>	<b>1,050</b>	<b>41,475.00</b>	<b>17</b>	<b>586.50</b>	<b>266</b>	<b>6,118.00</b>	<b>105</b>	<b>1,732.50</b>	<b>1,565</b>	<b>56,579.50</b>	
<b>Average Hourly Rate (£)</b>		<b>525.00</b>		<b>395.00</b>		<b>345.00</b>		<b>230.00</b>		<b>165.00</b>		<b>361.53</b>	

All Units are 6 minutes

## DETAILED ANALYSIS OF TIME SPENT

### Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice; and
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements.

### Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Reviewing and progressing any pre-appointment insurance claims
- Notification and progression of post-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.

### Assets

- Agreeing strategy for realisation of Company assets
- Instruction of and liaising with agents to market the Company's intellectual property for sale;
- Instruction of and liaising with agents to value the Company's tangible assets;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Identification and return of third party assets; and

## **Houseology Design Group Ltd - In Administration**

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- Identification and dealing with any assets subject to retention of title.

### **Liabilities**

This category of time includes both statutory and non-statutory matters.

#### *Statutory*

- Processing of claims from the Company's creditors;
- Instruction of and liaising with agents to process employees' redundancy claims through the Redundancy Payment Service;
- Preparation, review and submission of pre-appointment tax and VAT returns; and

#### *Non-statutory*

- Dealing with enquiries from the Company's creditors.

### **General Administration**

- General planning matters;
- Setting up and maintaining the liquidators' records;
- Dealing with general correspondence and communicating with directors and shareholders.

### **Appointment**

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

### **Investigations**

- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986

**LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard		1 Aug 2019 onwards	Standard	
	£	Complex £		£	Complex £
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Expenses**

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

## Houseology Design Group Ltd - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<b>Type</b>
		ADM
		CVL
		MVL
		CPL
		CVA
		BKY
IVA		
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert Dependent upon advert and publication
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.



Insolvency (Scotland) (Company Voluntary Arrangement and Administration) Rules 2018  
Rule 3.105

**Proof of Debt – General Form**  
**Relevant date: 23 January 2020**

Please e-mail completed form to: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)  
Quoting ref: H016G/ACO/PROOF

Name of Company in Administration:

Houseology Design Group Ltd

Company registered number:

SC377416

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. If any part of the debt is claimed as preferential, provide details of the nature and amount of the preferential claim.

8. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

9. Details of any document by reference to which the debt relates

10. Signature of creditor (or person authorised to act on the creditor's behalf)

11. Date of signing:

12. Address of person signing (if different from 2 above)

13. Name in BLOCK LETTERS

14. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)**

**Quoting ref: H016G/ACO/PROOF**

## Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

## Rule 3.39

## Notice of an Invitation to Creditors to Form a Creditors' Committee

In the:	COURT OF SESSION	No:	P65/19
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Re:	HOUSEOLOGY DESIGN GROUP LTD (IN ADMINISTRATION)
Previous Name:	OCCA DESIGN CONSULTANCY LTD
Registered No:	SC377416

Address of Company	28 SPEIRS WHARF, GLASGOW, G4 9TG
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NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF INSOLVENCY (SCOTLAND) (COMPANY VOLUNTARY ARRANGEMENT AND ADMINISTRATION) RULES 2018, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Stuart Robb and Michelle Elliot invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 3.74 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

Nominations must be received by: **13 March 2020**  
and should be delivered to: **Stuart Robb and Michelle Elliot**  
**4th Floor**  
**58 Waterloo Street**  
**Glasgow**  
**G2 7DA**  
**Tel: 0141 212 2060**  
**Email: recovery@leonardcurtis.co.uk**

Signed:		Dated:	
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Creditors are referred to section 1.18 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.

Under Rule 3.74, a creditor is eligible to be a member of such a committee if they have proved for a debt, which is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purposes of distribution or dividend. A body corporate may be a member of a committee, but it cannot act otherwise than by a duly appointed representative.

## APPENDIX I

Name	Class of Share	No. of Shares	% of Total Owned
Kate Mooney	Ordinary	13,000	0.02
Wendy Clark	Ordinary	6,065	0.01
James Mooney	Ordinary	6,000	0.01
James Mooney SIPP	Ordinary	5,750	0.01
Brendan Brawley	Ordinary	6,250	0.01
William Dobbie	Ordinary	127,474	0.22
William Currie	Ordinary	87,464	0.15
Iain McDonald	Ordinary	14,812	0.03
Robert Willett	Ordinary	48,269	0.08
Alison Leahy & Terry Leahy	Ordinary	71,971	0.12
Jose Marcot	Ordinary	3,793	0.01
Adam Sappern	Ordinary	7,586	0.01
Chase Nominees Limited – A/C Artemis	Ordinary	51,350	0.09
Paul Lewis	Ordinary	2,001	0.00
David Macaulay	Ordinary	1,036	0.00
Edward Matthews	Ordinary	1,001	0.00
Paulo Zaniboni	Ordinary	3,002	0.01
Chris Spira	Ordinary	3,185	0.01
Justine Mergler-Gillen	Ordinary	2,973	0.01
John Hoffman	Ordinary	3,865	0.01
Andy Cawker	Ordinary	1,476	0.00
Matthew Truman	Ordinary	901	0.00
Paul Cocker	Ordinary	800	0.00
Mark Murphy	Ordinary	3,793	0.01
Paul Mooney	Ordinary	1,553	0.00
Jon Kamaluddin	Ordinary	2,740	0.00
Jill Little	Ordinary	6,997	0.01
AFB Holdings Ltd	Ordinary	5,000	0.01
Mike Welch	Ordinary	2,571	0.00
Andrew Russell	Ordinary	37,945	0.06
Seedrs Nominees Limited	Ordinary	10,380	0.02
Jen Russell	Ordinary	37,945	0.06
Nadira Lalji	Ordinary	7,599	0.01
Andrew Sutcliffe	Ordinary	4,316	0.01
		<b>590,863</b>	<b>100%</b>