

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A09 24/02/2018 #173
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1 Company details

Company number 00229203

Company name in full Atkinson-Walker (Saws) Limited

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

2 Administrator's name

Full forename(s) Sean

Surname Williams

3 Administrator's address

Building name/number 6th Floor

Street 36 Park Row

Post town Leeds

County/Region

Postcode LS15JL

Country

4 Administrator's name

Full forename(s) Richard

Surname Pinder

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

5 Administrator's address

Building name/number 22 Gander Lane

Street Barlborough

Post town Chesterfield


County/Region

Postcode S434PZ

Country

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	<div>Signature</div> <div><input checked="" type="checkbox"/> </div>	<input checked="" type="checkbox"/>	
Signature date	<div><div>d2d3</div><div>m0m2</div><div>y2y0y1y8</div></div>		

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name **Robert Barker**

Company name **Leonard Curtis**

Address **6th Floor**

36 Park Row

Post town **Leeds**

County/Region

Postcode

L S 1 5 J L

Country

DX

Telephone **0113 323 8890**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**ATKINSON-WALKER (SAWS) LIMITED
(IN ADMINISTRATION)**

Registered Number: 00229203

Court Ref: 104 of 2018

High Court of Justice, Chancery Division
Leeds District Registry

**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 (England and Wales) Rules 2016**

Report date: 23 February 2018

Date report deemed to be delivered to creditors: 23 February 2018

Leonard Curtis contact details:

6th Floor, 36 Park Row, Leeds LS1 5JL

Tel: 0113 323 8890 Fax: 0113 323 8891

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: leeds.meetingreq@leonardcurtis.co.uk

Ref. M/34/LC/SA868H/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 Richard Pinder and I as Joint Administrators ("the Joint Administrators") of Atkinson-Walker (Saws) Limited ("the Company") on 2 February 2018 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 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 administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the 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. A dividend is, however, expected to be paid to secured creditors. 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 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 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 (England and Wales) Rules 2016 ("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 K is Notice of an Invitation to Creditors to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by 9 March 2018 and can only be accepted if the Administrators are satisfied as to the creditor's eligibility under Rule 17.4 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%20Guide%20to%20Creditors%20Committees.pdf>

2 DISTRIBUTION OF PROPOSALS

- 2.1 In accordance with the provisions of Statement of Insolvency Practice 16 ("SIP 16"), when a pre-packaged sale has been undertaken, the Administrator should seek any requisite approval of the Proposals as soon as practicable after appointment and the Proposals should be sent with the notification of the sale. If the Administrator has been unable to meet this requirement the Proposals should include an explanation for the delay.
- 2.2 The Proposals and SIP 16 letter were not distributed simultaneously in this matter in order to allow time for the Joint Administrators to monitor the performance of the Company's debtor ledger, particularly those debts which had been disapproved for funding by Aldermore Bank plc ("Aldermore").

3 STATUTORY INFORMATION

- 3.1 The Administration proceedings are under the jurisdiction of the High Court of Justice, Chancery Division, Leeds District Registry under Court reference 104 of 2018.
- 3.2 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.
- 3.3 The Company's registered office is 1 Cotton Mill, Sheffield, S3 8RU. The Joint Administrators wrote to Companies House on 8 February 2018 to change the registered office to 6th Floor 36 Park Row, Leeds, LS1 5JL and it is anticipated this will be reflected at Companies House shortly. The registered number is 00229203. The Company traded as its registered name.
- 3.4 The Company operated from leasehold premises at 1 Cotton Mill Row, Sheffield, S3 8RU.
- 3.5 The Company's directors are:

Name	Role	Date Appointed
Antony Egle	Director	02/09/2016
Terence John Lee	Director	25/06/2014
Christopher Sellars	Director	25/06/2014
Mark Stanley	Director	25/06/2014
Nicholas Robert Alexander	Director	25/06/2014

- 3.6 The Company's authorised share capital is £15,000. The issued share capital comprises 15,000 Ordinary shares of £1 each, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Mackenzie Spencer Ltd	Ordinary £1	6,000	40
Aberdeen Industry Investments Ltd	Ordinary £1	6,000	40
Terence John Lee	Ordinary £1	3,000	20
		15,000	100

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

Chargeholder	Date created	Description	Amount secured £	Assets Charged
Aldermore Bank Plc ("Aldermore")	25 June 2014	Fixed & Floating Charge Debenture	All monies due to Aldermore	<p>By way of a fixed charge:</p> <p>All right, title, estate and other interests in the Company's property and book debts;</p> <p>All present and future Goodwill, Intellectual Property and uncalled capital;</p> <p>All rental incomes and all benefits of guaranties, warranties and similar; and</p> <p>All benefits of any Property Agreements.</p> <p>By way of a floating charge:</p> <p>All of the company's undertaking, property, assets and rights present or future which are not subject to Aldermore's fixed charge security.</p>

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

4 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 4.1 The Company was incorporated in March 1928 and commenced trading shortly following its inception. Latterly the Company traded from leasehold premises at 1 Cotton Mill, Sheffield, S3 8RU.
- 4.2 The Company manufactured industrial saw blades, performed customer own-branding, and undertook reconditioning services, as well as the sale of associated products. The Company served the wood, metal, aluminium and plastic industries.
- 4.3 Over the last few years the Company has experienced cash flow issues. In June 2014, a sale of the business took place and Christopher Sellers, Mark Stanley, Nicholas Alexander and Terence Lee were appointed as directors. Consideration for the sale was £100,000.
- 4.4 In the accounting period to 31 December 2016 turnover fell by 9.6% from the previous year with the gross profit margin also falling from 19.98% in 2015 to 14.9% in 2016.

- 4.5 Administrative expenses rose by 23.2% for the year to 31 December 2016 despite the fall in activity.
- 4.6 Overall, the Company has reported a significant loss on ordinary activities of £57,798 and £160,204 in 2015 and 2016 respectively.
- 4.7 As a result of the above, the Company started to experience significant cash flow issues and a lack of available working capital. The Company made a number of turnaround measures in order to try and return the Company to profitability. These included but were not limited to:
- Review of the Company's workforce requirements which resulted in redundancies;
 - Investment of Directors' personal funds;
 - Additional personal guaranteed backed debt investment (Reparo Finance Limited and Finance Yorkshire Limited);
 - Agreeing a payment plan with the Company's landlord to ease cash flow pressure;
 - Attempting to agree a Time To Pay ("TTP") agreement with HM Revenue & Customs ("HMRC");
 - A review of the Company's customers, to focus on the more profitable customers. Analysis illustrated 800 customers over a 12 month period, some at very low levels. A minimum order value was implemented.
- 4.8 In addition the Company had been in discussions with three interested parties in relation to a share sale. The Directors advised that after a period of prolonged due diligence one party withdrew interest. A second party was only interested in an asset sale of the order book. The third party, Sheffield Industrial Saws Limited (CN: 06848135) ("the Purchaser") indicated that after consideration would only be willing to purchase the business and assets through an insolvency process.
- 4.9 The cash flow pressures were putting pressure on the ability to trade, given many suppliers were only willing to supply on a pro-forma basis, or on the proviso that historic debt was paid down. Cash flow pressure increased and HMRC arrears accrued. On 30 November 2017, an enforcement officer attended the Company's premises, requesting repayment in full or an agreed TTP proposal by 31 January 2018.
- 4.10 The Company was unsuccessful in agreeing a TTP arrangement with HMRC. In the interim period discussions had progressed with the Purchaser who had indicated a willingness to purchase the business through an administration process.
- 4.11 On 16 January 2018, LCR was formally instructed to assist with regards to placing the Company into Administration. A Notice of Intention to Appoint Administrators ("NOI") was filed at court on 17 January 2018. The NOI gave protection to the Company whilst the proposed Administrators could consider the appropriate strategy. A second NOI was required in order to finalise negotiations with the Purchaser of the Company's business and assets. The second NOI was filed on 31 January 2018.
- 4.12 On 2 February 2018, a Notice of Appointment of Administrators ("NOA") was filed at Leeds District Registry of the High Court with the consent of the Company's qualifying floating charge holder, Aldermore. The sale of the Company's business and assets was completed immediately on the appointment of the Administrators.
- 4.13 S Williams and R Pinder are both licensed by the Institute of Chartered Accountants in England & Wales. In Accordance with paragraph 100(2) of schedule B1 to the Insolvency Act 1986, the function of the Joint Administrators may be exercised by either or both, acting jointly or alone.

5 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 5.1 The Company's trading results for the years ending 31 December 2016, 2015 and 2014 are detailed below:

<u>PROFIT & LOSS ACCOUNT</u>	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Turnover	652,772	723,275	753,175
Cost of Sales	(555,299)	(578,632)	(537,790)
Gross Profit	97,473	144,643	215,385
Gross Profit %	14.9%	19.9%	28.5%
Administrative expenses	(246,169)	(199,762)	(208,110)
Other Operating Income	-	-	3,816
Operating Profit/(Loss)	(148,696)	(55,119)	11,091
Interest and charges	(11,508)	(2,679)	-
Profit/(Loss) before tax	(160,204)	(57,798)	11,091
Taxation	-	-	(3,296)
Profit/(Loss) for the year	(160,204)	(57,798)	7,795
Reserves b/f	167,731	225,529	235,734
Dividends	-	-	(18,000)
Retained Profit/(Loss) c/f	7,527	167,731	225,529

5.2 The balance sheets for the years ending 31 December 2016, 2015 and 2014 are detailed below:

<u>BALANCE SHEET</u>	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Fixed Assets			
Tangible Assets	87,287	116,382	97,230
Current Assets			
Stocks	163,211	151,324	151,324
Debtors	256,035	249,752	231,165
Cash	19,438	24,000	30,694
	438,684	425,076	413,183
Creditors: Amounts Falling due within one year	(485,463)	(309,789)	(236,830)
Net Current Assets/(Liabilities)	(46,779)	115,287	176,353
Total Assets less Current Liabilities	40,508	231,669	273,673
Creditors: Amounts falling due after more than year	(1,081)	(30,148)	(13,838)
Provision for liabilities	(16,900)	(16,900)	(16,900)
Accruals and deferred income	-	(1,890)	(2,406)
Net Assets	22,527	182,731	240,529
Represented by			
Called up share capital (£100)	15,000	15,000	15,000
Profit and Loss account	7,527	167,731	225,529
Shareholders' Funds	22,527	182,731	240,529

- 5.3 The Company's balance sheet for the year ended 31 December 2014 appears to overstate the Company's total assets less current liabilities by £90. It is believed this may be a transposition error given the low level of the discrepancy.

5.4 Statement of Affairs

The Directors are required to lodge a statement of affairs as at 2 February 2018 which has to be filed with the Registrar of Companies. Although the document has not yet been received, I understand that it is in the course of preparation and will be submitted shortly. Please note that the Company's accountants, Grey & Green Limited ("GGL") have been instructed to assist the Directors with the preparation of the statement of affairs. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

The following comments are considered to be relevant and should be borne in mind when reading the figures:

5.5 Secured Creditor – Aldermore

Aldermore holds security by way of debenture incorporating a fixed and floating charge over the Company's assets created on 25 June 2014 and registered at Companies House on 2 July 2014. Aldermore provided an invoice finance facility to the Company. At the date of my appointment, the Company had a gross debtor ledger of £75,504.75 of which Aldermore had approved £41,398.27 for funding. The Company's capital indebtedness to Aldermore totals £33,209.20. Please note that this balance excludes any interest or charges which may be levied by Aldermore in accordance with its security.

Aldermore is undertaking the debt collection process with the assistance of the Administrators. At present, we anticipate that collections will be sufficient to repay Aldermore's capital indebtedness. In the event that the debtor ledger does not perform, it is anticipated that Goodwill realisations, which are also subject to Aldermore's fixed charge, will be sufficient to satisfy any shortfall due to Aldermore.

5.6 Prescribed Part

It is anticipated that the secured creditor will be repaid in full under its fixed charge. Accordingly there will be no floating charge distribution and therefore there is no requirement to set aside a prescribed part in this case.

5.7 Preferential Claims

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. As part of the sale of the Company's business and assets, all of the Company's employees transferred to the Purchaser under TUPE provisions. In addition, part of the Purchaser's offer was a payment of £18,315.43 to cover overdue staff wages up to the end of January 2018. Please note that GGL has been instructed to finalise the Company's payroll and to prepare P45's for the employees. In light of the above, we do not anticipate any preferential creditors in this matter.

5.8 Unsecured Claims

At present, it is considered unlikely that there will be sufficient funds available to enable any form of 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 I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

5.9 Receipts and Payments

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

6 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

6.1 Sale of Business

Prior to the Administrators involvement with the business, the Company was in discussions with three interested parties in relation to a share sale. The Directors advised that after a period of prolonged due diligence one party withdrew interest and a second party was only interested in an asset sale of the order book. A third party (the Purchaser) had indicated that after consideration would only be willing to purchase the business and assets through an insolvency process.

The Administrators subsequently investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Enhanced asset values;
- The potential of customer continuity and resultant improved debtor collections;
- Minimise preferential creditor claims; and
- Mitigate any finance creditor shortfall.

On 20 January 2018, following the filing of a Notice of Intention to Appoint Administrators, the Purchaser made a formal offer to purchase the business and assets of the Company. This offer was contingent on a period of exclusivity being granted, with proposed completion of their acquisition on or before 31 January 2018.

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the company's creditors as a whole, and is a key factor in providing reassurance to creditors that the insolvency practitioner has acted with due regard for their interests. The particular nature of an insolvency practitioner's position in these circumstances renders transparency in all dealings of primary importance. The insolvency practitioner should advise the company that any marketing should conform to the marketing essentials as set out in SIP 16.

Given the Purchaser required a period of exclusivity, this would require the Joint administrators to deviate from the marketing essentials. The offer received from the Purchaser for the business and assets was in excess of the valuation received from independent agents, Walker Singleton Chartered Surveyors ("Walker Singleton") who valued the physical assets and Gibson Booth Chartered Accountants ("Gibson Booth") who valued the goodwill.

The Directors have advised that they approached a number of third parties prior to our involvement but no offers were forthcoming apart from the offer from the Purchaser. Management were not interested in putting an offer forward to purchase the business.

It is considered that if the Joint Administrators had not accepted the offer with the period of exclusivity we could not place any certainty on a better offer being received, or a sale completing in the time frames available. The short term cash-flow forecasts for the Company illustrated it would be unlikely the Company would have sufficient funds to pay wages at the end of January. Without payment of the wages, it was inevitable that the Company would cease to trade. The Purchaser committed to pay these wages. The Purchaser advised that although they would still make an offer if the business was marketed, it would be a substantially reduced offer.

The Purchaser operates from the locality and advised if unable to agree terms with the landlord, they had capacity to move the business into its current premises. In addition, although the Purchaser operated in the industry, it did not currently service the sector of the market which the Company operated in. The Purchaser was a special purchaser and this is reflected in the value of the offer.

It is considered extremely unlikely that any other competitors would have the specific set of circumstances which appeared to make the Company attractive to the Purchaser. It is also questionable that they would have had the funds available to complete a transaction where consideration is received on completion. Given the timescales

available, the previous marketing by the Company and the advice received, it was unlikely a better offer would be received.

In sales of this nature it is standard practice to expect an element of the sale consideration to be payable on a deferred basis. This adds increased risk (of none payment) and cost to the administration (for monitoring and pursuing payment). In this instance the offer was for the consideration to be paid in full on completion. Further, the offer included a licence to occupy the current premises for 6 months, which could mitigate the claim in the administration from the landlord.

Whilst the Company's debtor ledger has been excluded from the sale of the Company's assets, Cerberus Receivables Management ("CRM") advised that acceptance of the Purchaser's offer and the resulting continuity of trade would maintain goodwill with the Company's customers and therefore was likely to enhance the level of collections achievable from the debtor ledger.

Additionally, Walker Singleton recommended acceptance of the offer and period of exclusivity given the benefits that the transaction as a whole would provide to the Company's creditors. Particularly with regard to protecting the Company's interest in its plant and machinery which was financed by Praetura Asset Finance ("Praetura"). Prior to the Administration, Praetura had terminated the finance agreement and there was a significant risk of the plant and machinery being uplifted. In the event the plant and machinery had been uplifted, the value of the business would have substantially reduced as the business would not have been in a position to continue to trade.

Given that the Purchaser's offer was in excess of the values likely achievable through any further marketing, the existing creditor pressure, poor cash flow of the Company, and limited time available to market the business, the Joint Administrators considered it appropriate to accept the offer from the Purchaser with the period of exclusivity as it was considered to be in the best interest of all creditors.

An offer of £150,000, to include payment of the staff wages, was made by the Purchaser to the proposed Administrators. Following advice from our appointed agents, Walker Singleton, who had carried out valuations of the Company's physical assets, and Gibson Booth, who had valued the Company's goodwill, this offer was accepted and the business sale was concluded on 2 February 2018, immediately following the appointment of the Joint Administrators.

As part of the sale agreement, a payment of £18,315.43 was deducted to cover staff wage costs up to the end of January 2018. The transaction was agreed as follows:

	£
Sale Consideration	150,000.00
Less: Wages paid by the Purchaser	<u>(18,315.43)</u>
Amount received by the Joint Administrators	<u>131,684.57</u>

The sale consideration received by the Joint Administrator's has been apportioned as follows:

	£
Assets Specifically Pledged	
Goodwill	25,020.07
Assets Not Specifically Pledged	
Stock & WIP	10,929.82
Plant, Machinery and Equipment	<u>95,734.68</u>
	<u>131,684.57</u>

The sum of £42,000 plus VAT was paid following completion of the sale to Praetura who as noted above had terminated the finance agreement over the Company's plant and machinery and were threatening to uplift these assets. This payment was made to enable Praetura to agree to the sale of the financed assets, which provided a net benefit of £53,734.68 in respect of the Company's Plant, Machinery and Equipment.

The sale consideration was received in full on 2 February 2018.

As part of the sale, all employees of the business were transferred under the relevant TUPE regulations to the Purchaser. The statutory TUPE liability has been estimated at approximately £72,489.

In addition to the above, a six month licence granted to the Purchaser to occupy the Company's trading premises. A licence fee for the six month period totalling £19,000 has been received in full. It has been agreed by the Administrators with the Landlord that payment will be made in advance on a monthly basis.

Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 8 February 2018 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix J.

6.2 Factored Book Debts

Aldermore holds security by way of debenture incorporating a fixed and floating charge over the Company's assets created on 25 June 2014 and registered at Companies House on 2 July 2014. Aldermore provided an invoice finance facility to the Company. At the date of my appointment, the Company had a gross debtor ledger of £75,504.75 of which Aldermore had approved £41,398.27 for funding. The Company's capital indebtedness to Aldermore totals £33,209.20.

Collections to date total £5,015.97, reducing the balance owed to Aldermore to £28,313.20.

Please note that under the terms of the facility agreement, Aldermore is entitled to levy termination fees and charges which have not yet been quantified. The Joint Administrators will continue to monitor the performance of book debt collections. It is considered that the realisation of the disapproved ledger may result in a small surplus being available to the Company's estate.

6.3 Professional Advisors Used

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

Name of Professional Advisor	Service Provided	Basis of Fees
MD Law	Legal advice	Time costs
Insol Group Limited	Pension scheme advice	Time costs
GGL	Assistance with the preparation of a statement of affairs, finalising the Company's payroll, preparation of employee P45's, creditor reconciliation, debtor book reconciliation and accountancy work	Time costs
Consultium Property Limited	Property audit and investigation into refunds from payment of non-domestic business rates	25% of any successful refund from the Local Authority
Walker Singleton	Preparation of schedule of condition on the Company's property, and advice in relation to the sale of the Company's business and assets	Time Costs
CRM	Monitoring debtor ledger collections and assisting the Joint Administrators in collections of any assigned element of the debtor ledger	Time Costs

MD Law

As noted below, prior to the appointment of the Joint Administrators MD Law were instructed to assist the Joint Administrators in the preparation of a sale and purchase agreement and attend to the appointment formalities in respect of the Joint Administrators appointment. In addition, MD Law has also prepared a licence for the purchaser to occupy the Company's premises. Following the appointment of the Joint Administrators, MD Law have concluded the sale of the Company's business and assets and taken receipt of the sale consideration. These funds will shortly be remitted to the insolvency estate.

GGL

Following the Joint Administrators appointment it was apparent that the Company's records had had limited maintenance due the Company making administrative staff redundant in order to save costs and minimise outgoings. It is anticipated GGL will be instructed by the Joint Administrators to provide a range of accountancy assistance with respect to reconciling the Company's financial records, including reconciling the Company's creditor and debtors positions as noted above.

Insol Group Limited ("Insol")

Insol are financial consultants specialising in pensions schemes. It is anticipated that Insol will shortly be instructed in this matter to calculate the extent of the Company's pension scheme and advise the Joint Administrators as appropriate on the management of these schemes.

Consultium Property Limited ("CAPA")

CAPA forensically analyses and interrogates property outgoings and accounts payable data to highlight potential errors which may result in refunds from the Local Authority in relation to non-domestic business rates. CAPA has a number of years of experience conducting property audits for Insolvency Practitioners. CAPA has been instructed to perform a property audit and investigation into refunds from payment of non-domestic business rates.

Walker Singleton

Walker Singleton are agents and valuers with considerable experience in assisting Insolvency Practitioners in the valuation, marketing and sale of Company assets. In addition to the valuations provided prior to the Administration, Walker Singleton have also been instructed to assist the Joint Administrators by assessing and preparing a schedule of the condition of the Company's trading premises.

CRM

CRM have considerable experience in the valuation of debtor ledgers and in the collection of debtor ledgers for companies and Insolvency Practitioners. It is anticipated CRM will assist the Joint Administrators during the course of the administration in respect of the Company's debtor ledger and in particular in the collection of any residual ledger that may be assigned by Aldermore to the Company, following the conclusion of their debt collection process.

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

7 ACHIEVING THE PURPOSE OF ADMINISTRATION

7.1 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.

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

7.3 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 has been achieved for the following reasons:

- A value has been extracted from the Company's goodwill;
- The transfer of employees has resulted in the mitigation of employee claims on redundancy; and
- A continuity of trade will likely result in enhanced realisations from the debtor book, particularly those debts disapproved by Aldermore.

7.4 Additionally, we consider that objective (c) can be achieved as continuity of trade has maximised debtor book realisations in addition to goodwill realisations which will be available to distribute to Aldermore under the terms of its fixed charge security in the event of a shortfall from the book debts.

8 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

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

8.2 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.

8.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the 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 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.

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

8.5 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 Insolvency (England and Wales) Rules 2016 ("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.

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

8.7 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.

9 EXTENSION OF ADMINISTRATION

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

9.2 In certain circumstances it may be necessary to extend the 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.

9.3 We do not believe that an extension to the administration will be necessary in this case.

10 PRE-ADMINISTRATION COSTS

10.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the 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.

10.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who made by payments	Amount unpaid £
Leonard Curtis	See 10.3	31,780	-	N/A	31,780
Walker Singleton	See 10.4	5,000	-	N/A	5,000
Gibson Booth	See 10.5	2,500	-	N/A	2,500
Cerberus Receivables Management	See 10.6	2,000	-	N/A	2,000
MD Law	See 10.7	5,000	-	N/A	5,000
TOTAL		46,280	-	N/A	46,280

10.3 Work undertaken by Leonard Curtis ("LC")

In the period prior to administration, LC provided insolvency advice to the Company and carried out an assessment of the Company's financial position with a view to establishing the appropriate insolvency procedure for the Company.

The Joint Administrators evaluated the Company's financial position and advised that unless a significant injection of capital was introduced in the short term, in order to alleviate creditor pressure, the Company would have to consider whether trading could continue given the insolvent position of the Company.

Subsequently, it was advised that administration was the most suitable form of insolvency and the Joint Administrators assisted with formulating an administration strategy. The work undertaken included but was not limited to:

- Advising the Company on which insolvency process would be most appropriate;
- Dealing with all formalities relating to the appointment of Administrators;
- Advising the Company on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
- Advising the Company on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors;

- Preparing and reviewing the optimal insolvency strategy, and liaising with the Directors in regard to the strategy for the Administration;
- Reviewing the valuation of the Company's assets prepared by independent agents, Walker Singleton;
- Reviewing the collection strategy of the Company's debtor prepared by independent agents, Cerberus Receivables Management;
- Reviewing the valuation of the Company's goodwill prepared by Gibson Booth;
- Considering the advice received in respect of the best strategy to market the business and assets to maximise net realisations and in particular in respect of the Purchaser's proposed exclusivity offer;
- Obtaining the Company's relevant financial information and processing the same;
- Negotiating with the Purchaser in regard to the sale of the business and assets;
- Monitoring the position of any enforcement action by the Company's creditors;
- Discussing the requirements to undertake a distressed sale of the business;
- Consideration of the optimal insolvency process to maximise asset realisations for the benefit of creditors; and
- Discussions with HMRC, the landlord and Praetura.

Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £31,780.00 have been incurred which represents 92.5 hours at a rate of £343.57 per hour.

10.4 Work conducted by Walker Singleton

Walker Singleton was formally instructed to provide a valuation of all of the Company's physical assets on 26 January 2018, following verbal instructions provided on 17 January 2018, to provide advice on the best strategy for the disposal of the Company's assets. The work carried out included:

- Preparing an inventory of the physical assets;
- Asset valuation advice;
- Advising on the suitability of accepting the Purchaser proposals for a period of exclusivity; and
- Advising and reporting to the proposed Administrators on expressions of interest and advice in relation to an offer from the Purchasers.

It is proposed that Walker Singleton be paid a fee of £6,000 plus VAT for this work.

10.5 Work undertaken by Gibson Booth

Gibson Booth is a member of the fellowship of the Institute of Chartered Accountants in England and Wales. A valuation of the Company's goodwill was produced by Gibson Booth, further to verbal instructions on 17 January 2018. Formal instruction outlining the requirements for the valuation were sent to Gibson Booth on 22 January 2018.

Gibson Booth confirmed its independence to act and have confirmed that it holds the requisite level of professional indemnity insurance. In addition, Gibson Booth has advised that the member of its firm conducting the valuation had the appropriate level of experience, skill and competence to conduct the valuation.

It is proposed that Gibson Booth be paid a fee of £2,500 plus VAT for this work.

10.6 Work conducted by Cerberus Receivables Management ("CRM")

CRM was formally instructed on 29 January 2018 following an earlier verbal instruction to provide recommendations in relation to maximising the recoverability of the Company's book debt ledger, and to assess the prospect of recoverability and the value of any equity position. The work carried out included:

- Preparing an assessment on the recoverability of the book debt ledger;
- Liaising with the Company's directors regarding the history related to the Company's debtors; and
- Commentary on and recommending a strategy to maximise debtor realisations.

It is proposed that CRM be paid a fee of £2,000 plus VAT for this work.

10.7 Work undertaken by MD Law

MD Law were formally instructed to assist the Joint Administrators' in the preparation of the Sale and Purchase Agreement ("SPA") and in dealing with the practicalities of filing the Joint Administrators appointment at Court. The work carried out included:

- Drafting the SPA;
- Negotiations with the Purchaser;
- Advice regarding the Company's lease and licence to occupy; and
- Filing the NOI's and NOA at the Court.

It is proposed that MD Law be paid a fee of £6,000 plus VAT for this work.

- 10.8 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 creditors to this resolution.

11 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

11.1 General

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 as set out in a Fees Estimate. 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.

11.2 Approval by appropriate body

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.

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

11.4 Information to be given to creditors

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 as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known

creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

11.5 The Fees Estimate

The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that the Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs have also been included for comparison purposes. In summary, time costs of £2,734 have been incurred to 2 February 2018 which represents 7.7 hours at an average rate of £355.06 per hour. Please note that the Joint Administrators costs are uploaded to their case management system on a monthly basis with the last upload being undertaken on 2 February 2018, the above time recorded therefore reflects time upload on 2 February 2018 and relates predominantly to task undertaken immediately upon appointment.

11.6 The total amount of time costs as set out in the Fees Estimate is £61,740. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.

11.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to secured creditors for further approval.

11.8 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 H.

11.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Robert Barker of this office on 0113 323 8890.

11.10 Statement of Likely Expenses

The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured creditors in the same way as fees and the secured creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

11.11 Further Updates

The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

12 ESTIMATED OUTCOME FOR CREDITORS

12.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

12.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

12.3 In summary:

- Secured creditors – It is anticipated that Aldermore will be repaid from asset realisations under its fixed charge security and in particular collections from the Company's debtor ledger. It is anticipated that in the event a shortfall arises under the debtor ledger, it will be offset by Goodwill realisations.
- Preferential creditors – No preferential creditors are anticipated during the administration.
- Unsecured creditors – On the basis of information currently available, no return is anticipated to the Company's unsecured creditors.

13 RELEASE OF ADMINISTRATORS FROM LIABILITY

13.1 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.

13.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.

13.3 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 creditors. The appropriate class of creditor will be contacted directly in this respect.

14 CONCLUSION

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

14.2 Creditors will be notified of the outcome of voting in due course.

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

Yours faithfully,
For and on behalf of
ATKINSON-WALKER (SAWS) LIMITED



SEAN WILLIAMS
JOINT ADMINISTRATOR

Sean Williams is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 11270 and Richard Pinder is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 19470

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. It is further proposed that Sean Williams and/or Richard Pinder 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.* 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 Para 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 Sean Williams and/or Richard Pinder 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.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 2 FEBRUARY 2018

	Notes	Book value £	In Administration £
Assets specifically pledged			
Goodwill	1	Nil	25,020
Book Debts	2	75,505	41,398
Less: Aldermore	3	(33,209)	(33,209)
Surplus as regards fixed charge holder		<u>42,296</u>	<u>33,209</u>
Assets specifically pledged			
Plant, Machinery & Equipment	4	87,287	95,735
Less: Praetura	5	(42,000)	(42,000)
Surplus carried down		<u>45,287</u>	<u>53,735</u>
Assets not specifically pledged			
Surplus from fixed charged assets		42,296	33,209
Surplus from financed assets		45,287	53,735
Stock & WIP	6	19,000	10,930
		<u>106,583</u>	<u>97,874</u>
Preferential creditors	7	-	-
Net property available for prescribed part		<u>106,583</u>	<u>97,874</u>
Less: Administration Costs	8	-	(128,632)
Prescribed part calculation	9	N/A	N/A
Available for floating charge creditor		<u>106,583</u>	<u>-</u>
Less: Aldermore		<u>-</u>	<u>-</u>
Available for unsecured creditors		<u>106,583</u>	<u>-</u>
Unsecured creditors			
H M Revenue & Customs (est.)	10	(135,161)	(135,161)
Directors Loan Accounts (est.)	11	(160,000)	(160,000)
Trade and expense creditors (est.)	12	(218,614)	(218,614)
Total value of unsecured creditors		<u>(513,775)</u>	<u>(513,775)</u>
Estimated deficiency as regards unsecured creditors		<u>(407,192)</u>	<u>(513,775)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers.

1. Goodwill

The Company's accounts for the year ended 31 December 2016 provided no book value in respect of this category of asset. Gibson Booth were instructed to value the Company's Goodwill, and advised the Goodwill would only be anticipated to hold a value of £5,000 in an in-situ sale of the assets as a whole, as part of a sale as a going concern. No value was anticipated in the event of an ex-situ sale. Gibson Booth recommended acceptance of the Purchaser's offer of £25,020.07 as it was in excess of their high valuation.

2. Book Debts

As the date of the Joint Administrator's appointment, the Company had a gross book debt ledger of £75,504.75. Of this £34,106.48 was disapproved for funding by Aldermore due to ageing and disputes. The Company's collectable ledger is therefore estimated to be £41,398.27. The Joint Administrator's will monitor the performance of book debt collections.

3. Aldermore

The Company utilised an invoice finance facility with Aldermore, secured by way of a fixed and floating charge. The Company's indebtedness to Aldermore is c£33,209.20. Aldermore have advised that it is undertaking a debt collection process with the assistance of the Administrators. In the event that the debtor ledger does not perform, it is anticipated that Goodwill realisations which are also subject to Aldermore's fixed charge, will be sufficient to satisfy any shortfall due to Aldermore in respect of its security.

4. Plant, Machinery & Equipment

The Company's accounts for the year ended 31 December 2016 provided a book value of £87,287 in respect of this category of asset. Walker Singleton provided a valuation of these assets on a low basis of £76,750 and on a high basis of £97,500, with the low value reflecting an ex-situ break up sale of the Company's assets and the high value reflecting an in-situ sale of the assets as a whole, as part of a sale as a going concern. Walker Singleton recommended acceptance of the Purchaser's offer of £95,734.68 as it was just below their high valuation.

5. Praetura

The Company's Plant, Machinery & Equipment was subject to finance with Praetura, who had issued a Notice of Termination and were threatening to uplift these assets under the terms of their security. Praetura consented to the sale of these financed assets subject to a full and final settlement of £42,000 plus VAT being settled by the Joint Administrators. This was agreed as it would provide a net benefit of £53,734 to the Company.

6. Stock & WIP

Walker Singleton conducted a review of the stock, raw materials and WIP of the Company, and provided high and low valuations on the basis of an in-situ sale and ex-situ forced sale. Walker Singleton advised that a sale in the region of between £19,000 on an in-situ basis and £12,700 on an ex-situ basis would represent fair value for this category of asset. Due to the Company being unable to source a supply of steel, the Company is unable to complete the work in relation to the WIP. In these circumstances the value of the WIP was considered nominal. The offer received for the purchase of the stock and WIP collectively was £10,929.82. Although the offer for this category of asset than the ex-situ valuation, as the Purchaser's overall offer was significantly higher than the

valuation of the Company's asset on an in-situ basis, Walker Singleton recommended their offer be accepted.

7. Preferential Creditors

No preferential creditors are estimated to arise as the Company's employees were transferred to the Purchaser under TUPE provisions as part of its acquisition of the Company's business and assets.

8. Administration Costs

The sum of £128,632 reflects the total combined estimated costs of the administration, broken down as follows:

• LC Pre administration fees:	£31,780
• Joint Administrators remuneration:	£61,740
• Joint Administrators disbursements:	£1,612
• Walker Singleton's valuation fees:	£6,000
• Gibson Booth's valuation fees:	£2,500
• CRM's valuation fees:	£3,500
• MD Law's legal fees	£6,000
• GGL's accountancy advice	£15,000
• Insol's pension advice	£500

9. Prescribed Part Calculation

The Prescribed Part will not apply in this matter as no distribution is expected to be made to Aldermore under their floating charge security.

10. HM Revenue & Customs

The exact debt due to HM Revenue & Customs is currently being reconciled and therefore the debt due is currently uncertain. The Directors have advised they anticipate the HMRC debt to be circa £135,161.

11. Directors Loan Accounts

The Company's management has indicated they are owed c£160,000 by way of directors' loans to the Company. The Joint Administrators are seeking to reconcile this figure and it should not be treated as an agreed sum.

12. Trade and Expense Creditors

The balance due to the Company's trade and expense creditors has been derived from the Company's available records and should not be considered as an agreed amounts. It should be noted that as a result of the reorganisation within the business the Company did not have Admin or Finance support for the 4 months preceding the Administration. As a result, processing of financial information in relation to bank transactions, purchase invoices and payments has been limited. The creditor information available has been extracted from the Company's cloud based accounting software and is the most up to date information available. As part of their work in conducting a reconciliation of the debtor ledger, GGL will also reconcile the creditor position.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Creditors will note that a number of the balances below have been marked as uncertain. Due to the Company's redundancy program prior to the Administration, its administrative function was significantly reduced and the Company's creditor records were not up to date at the time of the Administration. The Joint Administrators have instructed the Company's accountants, GGL to assist with reconciling the creditor position.

Name	Address	Amount of Debt £	Details of Security Held	Date of Security	Value of Security
1ST CALL COM LTD	STROWGER HOUSE, RENISHAW, SHEFFIELD, S21 3WY	Uncertain			
1T Solutions Ltd	HASELTON HOUSE, 3 THE CRESCENT, DONCASTER ROAD, ROTHERHAM, S65 1NL	42.00			
A & R TRADEPRINT LTD	515 ABBEYDALE ROAD, SHEFFIELD, S7 1FU	314.40			
A W TOOLS (EUROPE) LTD	GLOBE STEEL WORKS, ALMA STREET, SHEFFIELD, S3 8SA	2,481.92			
A.D.S PRECISION LIMITED	716 PENISTONE ROAD, HILLSBOROUGH, SHEFFIELD, S6 2DF	Uncertain			
AA TOOLS LTD	16 PETRE DRIVE, SHEFFIELD, S4 7PZ	1,213.54			
ABBEY GLEN	BENTLEY ROAD, DONCASTER, DN5 9TJ	2,113.80			
ABILITY HANDLING	North Anston Trading Estate, Houghton Rd, Dinnington, North Anston, Sheffield S25 4JJ	Uncertain			
Abwood Machine Tools	615 Princes Rd, Darford DA2 6DY	1,686.60			
ADDISON SAWS LTD	ATTWOOD STREET, LYE, STOURBRIDGE, DY9 8RU	Uncertain			
AET	9-15 Holbrook Avenue, Holbrook Industrial Estate, Halfway, Sheffield, S20 3FF	Uncertain			
AINTREE AGENCIES LTD	120 DERECH HATAMAR, MOSHAV BEN-SHEMEN, 7311500, ISRAEL.	378.44			
AIR COMPRESSORS & BLOWERS NORTH LTD	UNIT 35, MATRIX @ DINNINGTON BUS. CENTRE, NOBEL WAY, DINNINGTON, SHEFFIELD, S25 3QB	Uncertain			
Aldermore Bank PLC	Springfield House, 76 Wellington Street, Leeds, LS1 2AY	33,209.20	Fixed & Floating Charge Debenture	25/06/2017	All monies
AM Time Services	8 Ivy Side Close, Killamarsh, Sheffield, S21 1JT	46.80			
Anglo Abrasives Ltd	Unit 5, Liberty Business Park, Liberty Way, Attleborough Fields Ind Est, Nuneaton, CV11 6RZ	4,427.35			
Artisan Sintered Products Ltd	Shepley Industrial Estate, Audenshaw, Manchester, M34 5DW	Uncertain			
AS SIGN SERVICES	240 SHALESMOOR, SHEFFIELD, S3 8UH	Uncertain			

Atkinson-Walker (Saws) Limited - In Administration

AVG	ECOMMERCE CY LTD, GATWICKSTRAAT 9-39, AMSTERDAM, 1043 GL	Uncertain
Backer Electric Company Ltd	Eastwood Trading Estate, Fitzwilliam Road, Rotherham, S65 1TF	930.60
Balluff Limited	20 Cheshire Business Park, Cheshire Avenue, Lostock Gralam, Northwich, CW9 7UA	Uncertain
Beatson Fans and Motors	16 Newhall Road, Sheffield, S9 2QL	405.60
Bestar	Auf dem Knapp 43, D-42855, Remscheid, GERMANY	9,412.85
Biffa	Coronation Road, Cressex, High Wycombe, Bucks, HP12 3TZ	Uncertain
BLM LAW	CASTLE CHAMBERS, LIVERPOOL, L2 9SU	210.00
Bohler-Uddeholm (UK) Ltd	Taylors Ln, Oldbury B69 2BN	Uncertain
BOND PRECISION GRINDING LTD	Trafalgar Road, Effingham Road, Sheffield, S9 3QA	Uncertain
Boxes and Packaging	BOXES AND PACKAGING LTD, SHAW LANE IND. ESTATE, DONCASTER, DN2 4SE	368.71
C ROBERTS STEEL SERVICES	EASTWOOD TRADING ESTATE, ROTHERHAM, S66 1SU	Uncertain
C S PRESS TOOLS LIMITED	UNIT 23, NUTWOOD TRADING ESTATE, LIMESTONE COTTAGE LANE, SHEFFIELD, S6 1NJ	Uncertain
Camrose Walker Ltd	385A FULWOOD ROAD, SHEFFIELD, S10 3GA	388.94
CAPSTONE MACHINE TOOL SERVICES LTD	33 Willow Park Road, Wilberfoss, York, YO41 5PS	8,000.00
CASTLE BROOKE TOOLS (UK) LTD	PRINCESS STREET, SHEFFIELD, S4 7UU	Uncertain
Ceratzit Luxembourg	Route de Holzern B.P.51, L-8201 Mamer, Luxembourg	8,275.40
Chubb Fire & Security Ltd	Number 1 @ The Beehive, Lions Drive, Blackburn, BB1 2QS	629.13
CITY ELECTRICAL FACTORS	NORTH EAST DIVISION, PO Box 55, 3A AUDAX CLOSE, CLIFTON MOOR, YORK, YO30 4RA	Uncertain
City Seals and Bearings	The Bearing Centre, 23/25 Stevenson Road, Sheffield, S9 3XG	Uncertain
Close Brothers Premium Finance	Wimbledon Bridge House, 1 Hartfield Road, London, SW19 3RU	Uncertain
COMPLETE OFFICE SOLUTIONS	CORNISH WAY, BARBOT HALL INDUSTRIAL ESTATE, ROTHERHAM, S62 6EG	Uncertain
CONVERTING MACHINERY (SERVYMAC)	Unit 4, Woodstock Business Park, Meek Street, Royton, Oldham, OL2 6HL	Uncertain
CRANDEN DIAMOND PRODUCTS LTD	MOUNTS HILL, BENENDEN, CRAN, CRANBROOK, KENT, TN17 4ET	2,541.90
CRESCENT COMMERCIAL STATIONARY LTD	UNIT 10, HORIZON BUSINESS PARK, 1-28 ALDER CLOSE, ERITH, KENT, DA18 4AJ	Uncertain
Cromwell	PO Box 14, Chartwell Drive, Wigston, Leicester, LE18 1AT	Uncertain
CROMWELL TOOLS (SHEFFIELD)	WAVERLEY WORKS, EFFINGHAM ROAD, SHEFFIELD, S4 7YP	440.90

Atkinson-Walker (Saws) Limited - In Administration

CTR STEEL LTD	25 MOORLAND VIEW, GLEADLESS, SHEFFIELD, S12 3JJ	3,721.80
D.K. HOLDINGS LIMITED	STATION APPROACH, STAPLEHURST, KENT, TN12 0QN	Uncertain
Dabar Fire Prevention Ltd	Unit 1 Excelstor Works, Station Road, Ecclesfield, Sheffield, S35 9YR	173.05
DARNALL TOOLS & ABRASIVES LTD	46 CATLEY ROAD, SHEFFIELD, S9 5JF	Uncertain
Denison Mayes Group	Unit 14 Enterprise Park Ind Es, Moorhouse Avenue, Leeds, LS11 8HA	287.63
DHL Express (UK) Ltd - European Invoicing	PO Box 107, Hillblom House, Feltham, Middlesex, TW14 0LR	Uncertain
Dolphin Freight Services Ltd	3 Ranskill Court, Shepcote Lane, Sheffield, S9 5FZ	Uncertain
DONG ENERGY SALES (UK) LTD	5 HOWICK PLACE, LONDON, SW1P 1WG	308.13
Dymet Alloys	Station Road West, Ash Vale, Hampshire, GU12 5LZ	1,197.00
E INGLETON ENGINEERING LTD	ADELAIDE WORKS, 55 MOWBRAY STREET, SHEFFIELD, S3 8EZ	14,164.37
EASTMONDS	The Old Library Grey And Green Limited, 10 Leeds Road, Sheffield, South Yorkshire, United Kingdom, S9 3TY	72.00
EDF Energy	Gadeon House, Exeter, EX1 3UT	Uncertain
ENERGAS LTD	SALMON PASTURES, ATTERCLIFFE ROAD, SHEFFIELD, S4 7WZ	195.49
ENGIE POWER LTD	No1 LEEDS, 26 WHITEHALL ROAD, LEEDS, LS12 1BE	19,534.25
ENTERPRISE FLEX-E-RENT	FLEX-E-RENT HOUSE, KNIGHTS WAY, BATTLEFIELD ENTERPRISE PARK, SHREWSBURY, SY1 3AB	404.32
E-ON	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	Uncertain
EPS SERVICES & TOOLING LTD (SOMERSET)	UNIT 2, FORD ROAD, WIVELISCOMBE, TAUNTON, SOMERSET, TA4 2RE	Uncertain
Equip (Midlands) Ltd	Byron Street, Buxton, Derbyshire, SK17 6NT	371.40
Equita Ltd	42-44 Henry Street, Northampton, NN1 4BZ	5,305.90
Farmers Weekly	Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS	Uncertain
FOX LLOYD JONES	CARLTON TOWER, 34 ST PAUL'S STREET, LEEDS, LS1 2QB	Uncertain
Friedr.Lohmann GmbH	Werk fur Spezial-&edelstahle, Ruhrtal 2, D-58456 Witten-Herbode, Germany,	11,220.85
Fusion Automation Inc	Barrows Road, The Pinnacles, Harlow, Essex, CM19 5AP	508.97
G Adolf Lemp GmbH	DreherstraBe 24, Postfach 12 04 26, 42899 Remscheid	1.00
Gap Personnel Holdings Ltd	2 CHESNEY COURT, WREXHAM TECHNOLOGY PARK, WREXHAM, LL13 7YP	Uncertain
Gazprom Energy	5th Floor Bauhaus, 27 Quay Street, MANCHESTER, M3 3GY	Uncertain
GBU Tooling Ltd	1 Cotton Mill, Sheffield, S3 8RU	160,000.00
Gest Industrial Fasteners Ltd	Unit 5 - 27/29 Station Road, Kings Norton, BIRMINGHAM, B38 8SN	Uncertain

Atkinson-Walker (Saws) Limited - In Administration

Gregory's Haulage	North Tawton, North Park, North Tawton, Devon, EX20 2EB	Uncertain
Grey & Green Ltd	The Old Library, 10 LEEDS ROAD, SHEFFIELD, S9 3TY	10,942.00
Grey Matter	45 Rutland Park, Sheffield, S10 2PB	432.00
GS1 UK	Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH	142.80
Gumtree	5 New Street Square, London, United Kingdom, EC4A 3TW	Uncertain
Guyson International Ltd	Snaygill Industrial Estate, Keighley Road, Skipton, BD23 2QR	Uncertain
H Harrold & Sons Ltd	Security House, Shalesmoor, Sheffield, S3 8UG	Uncertain
H S Richards Ltd	King Street, Smethwick, West Midlands, B66 2JW	Uncertain
H W Owen & Co Ltd	Auckland Road, Sparbrook, Birmingham, B11 1RH	Uncertain
HAF POWERTOOLS LTD	UNIT 8, FELL ROAD, ATTERCLIFFE, SHEFFIELD, S9 2AL	Uncertain
Hallamshire Hardmetal Products Ltd.	Units 3,4 & 5 Greasbough Road, Northfield Industrial Estate, Rotherham, S60 1RW	Uncertain
HELLMANN WORLDWIDE LOGISTICS	KUHLMANN HOUSE, LANCASTER WAY, FRADLEY PARK, LICHFIELD, WS13 8SX	Uncertain
HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	135,161.08
HM Revenue & Customs - PAYE	DM PAYE, BX9 1EW	-
HMRC	Enforcement and Insolvency Service (EIS), Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	-
HSG (Packing Cases) Ltd	PO Box 592, Long Row, New Works Road, Low Moor, Bradford, BD12 0RT	Uncertain
I.R. WASTE MANAGEMENT LTD	M1 COMMERCE PARK, UNIT 72, DUCKMANTON, CHESTERFIELD, S44 5HS	Uncertain
IFS Ltd	PO Box 286, Leeds, West Yorkshire, LS26 1AU	Uncertain
IMPREGLOK UK LIMITED	KINGSBURY LINK, TRINITY ROAD, PICCADILLY, TAMWORTH, B78 2EX	Uncertain
Indasa - Abrasives (UK) Ltd	Viking Works, 113 Greenstead Road, Colchester, C01 2ST	Uncertain
INFOTONE	UNIT 4 PLAXTON PARK, CAYTON LOW ROAD, EASTFIELD, SCARBOROUGH, YO11 3BY	Uncertain
International Trade Forum	448 Brightside Lane, Sheffield, S9 2SP	140.00
INTERISSUE LTD	BRUNEL WAY, BAGLAN ENERGY PARK, NEATH, SA11 2HZ	Uncertain
JACO TOOLING COMPANY LIMITED	41-42 NUTWOOD TRADING ESTATE, LIMESTONE COTTAGE LANE, SHEFFIELD, S6 1NJ	Uncertain
Jasun Envirocare PLC	Riverside House, Parrett Way, BRIDGEWATER, SOMERSET, TA6 5LB	Uncertain
Johnson Matthey	Metal Joining, YORK WAY, ROYSTON, HERTFORDSHIRE, SG8 5HJ	470.12

Atkinson-Walker (Saws) Limited - In Administration

JOWITT ABRASIVES	Bridge Way off Broombank Road, Chesterfield Trading Estate, Chesterfield, S41 9QJ	Uncertain
KELSEY PUBLISHING LTD	CUDHAM TITHE BARN, BERRY'S HILL, CUDHAM, KENT, TN16 3AG	960.00
Kirschner Maschinenbau GMBH	Geissgasse 22, 73485 Unterschneidheim	Uncertain
KNIFETECH LTD, UNIT 14	BOOKERS WAY, TODWICK ROAD INDUSTRIAL ESTATE, DINNINGTON, S25 3SH	Uncertain
KPD CONSUMABLES	12 Lower Clark St, Scarborough YO12 7PW	Uncertain
Labels Plus Ltd	Unit 22 Botany Business Park, Macclesfield Road, Whaley Bridge, Derbyshire, SK23 7DQ	Uncertain
Lamma	4 Fulwood Park, Fulwood, Preston PR2 9NZ	900.24
Le Pla Hydraulics	Monkey Works, Neepsend Lane, Sheffield, S3 8AU	279.93
Lorna Walkden Marketing		180.00
M Boulby		Uncertain
M.S. SHIRT BOX CO.	45 FINCHWELL ROAD, SHEFFIELD, SOUTH YORKSHIRE, S13 9AS	441.60
MA TOOLING	565-571 Attercliffe Rd, Sheffield, S9 3RD	Uncertain
MAC 'ANTS GROUP	Todwick Road, Dinnington, Sheffield, S25 3SE	Uncertain
Marston Group Ltd	6th Floor, Embassy House, 60 Church Street, Birmingham, B3 2DJ	5,379.30
MARTYN'S BARGINS	UNITS 6 & 7, AURILLAC COURT, HALLCROFT IND ESTATE, REDFORD, NOTTINGHAMSHIRE, DN22 7PX	Uncertain
Mcconnells Electrical	Cliff Nook House, Cliff Nook Lane, Newark NG24 1LY	Uncertain
Mead Diamond Tooling Limited	397A PETRE STREET, SHEFFIELD, S4 8LL	91.20
MEDEN VALE ENGINEERING	Meden Square, Pleasley, Mansfield, NG19 7SQ	1,869.00
Mercedes Benz	Delaware Dr, Milton Keynes MK15 8BA	Uncertain
Merlin	Chatsworth House, Millennium Way, Chesterfield, S41 8ND	Uncertain
MF HIRE LIMITED	38 EAST BANK ROAD, SHEFFIELD, SOUTH YORKSHIRE, S2 3PS	Uncertain
MR P D NUNN		Uncertain
MY PRINT PARTNERS LTD	UNIT 3 KANJA BUSINESS PARK, ACRES HILL LANE, SHEFFIELD, S9 4LR	Uncertain
NICE-PAK INTERNATIONAL LIMITED	ABER PARK, FLINT, FLINTSHIRE, CLYWD, CH6 5EX	Uncertain
Norham Plastics Ltd	Derwent Way, Dearne Valley, Rotherham, S63 6EX	Uncertain
Northern Corrugated Cases Ltd	Middlewich Road, Byley, Middlewich, Cheshire, CW10 9NX	Uncertain
Nova Electronics	700-702 Attercliffe Road, Attercliffe, Sheffield, S9 3RP	85.00

Atkinson-Walker (Saws) Limited - In Administration

NPower Yorkshire Limited	PO Box 236 - Payment Processing, Wetherby Road, Scarcroft, Leeds, LS14 3WT	354.00	
OELHELD UK LTD	UNIT 16 COLOMENDY BUS PARK, DENBIGH, LL16 5TA	Uncertain	
ORCHARD ENERGY LTD	ORCHARD HOUSE, 1 PARK ROAD, ELLAND, HX5 9HP	564.00	
Parcelhub Limited	25, Todwick Road Industrial Estate, Bookers Way, Sheffield S25 3SH	Uncertain	
PBR Abrasives (W'ton) Limited	Wolverhampton Street, Willenhall, West Midlands, WV13 2NF	Uncertain	
Pennine Lubricants Limited	Unit 35, Nutwood Trading Estate, Limestone Cottage Lane, Wadsley Bridge, Sheffield, S6 1NJ	496.92	
Peter Tomlinson		Uncertain	
Pilana Tools as	Nadrazni 804, 768 24 Hulín, Czech Republic	Uncertain	
PORTER PRECISION	THE MANSLEY BUSINESS CENTRE, UNIT 11, TIMOTHY'S BRIDGE ROAD, STRATFORD UPON AVON, CV37 9NQ	62.82	
Portland Electrical Ltd	THE GABLES, UNIT 2B, HOLYWELL ROAD, SHEFFIELD, S4 8AR	Uncertain	
Post Office	FREEPOST, POST OFFICE, CUSTOMER CARE	Uncertain	
Powell Packaging	Birkdale Road, South Park Industrial Estate, Scunthorpe, DN17 2AU	Uncertain	
PPG Industries (UK) Ltd	Darlington Road, , Shildon, DL4 2QP	Uncertain	
Praetura Asset Finance Limited	Haydock House, Pleckgate Road, Blackburn , Lancashire, BB1 8QW	42,000.00	HP agreement 16/05/2016
PREMIUM CREDIT LIMITED	Ermyrn House, Ermyrn Way, Leatherhead KT22 8UX	3,023.55	
Process Treatments	Stone Gappe House, Gisburn Road, Blacko, Lancashire, BB9 6LS	Uncertain	
Progressive Safety Footwear	101 Worthing Road, , Sheffield, S9 3JN	Uncertain	
REVIRESCO UK LTD	UNIT 7 SPRING PARK, CLAYBURN ROAD, GRIMETHORPE, BARNSELEY, S72 7FD	Uncertain	
ROBINSON ENGINEERING	64 EFFINGHAM ROAD, SHEFFIELD, S4 7YS	Uncertain	
RS Components Ltd	PO Box 99, Corby, Northamptonshire, NN17 9RS	455.82	
Rubber Safety Hygiene Limited	Enterprise Works, 2 Hunsley Street, Sheffield, S4 8DY	Uncertain	
S Clough Ibbotson & Co Ltd	56 Campo Lane, Sheffield, S1 2EG	Uncertain	
Saint-Gobain High Performance Materials UK Ltd	Doxy Road, Stafford, ST16 1EA	Uncertain	
Samuel Grant (Sheffield) Ltd	Unit 4, Junction 34 Industrial Estate, Greasbro Road, Sheffield, S9 1TN	Uncertain	
Scattergood and Johnson Ltd	Lowfields Road, Leeds, LS12 6ET	92.33	
Sealants & Tools	Unit 6 A-C The Old Cider Works, Abbotskerswell, Newton Abbot, TQ12 5NF	Uncertain	
SG TOOLS & ENGINEERING LTD	UNIT 1, 180 ATTERCLIFFE ROAD, SHEFFIELD, S4 7WZ	Uncertain	

Atkinson-Walker (Saws) Limited - In Administration

Shaw Trust Industries	Cedar Road, Balby, Doncaster, DN4 9HT	Uncertain
Sheffield Chamber of Commerce	Albion House, Savile Street, Sheffield, S4 7UD	390.00
Sheffield City Council Rates	Corporate Resources, PO Box 295, Sheffield, S1 1GH	5,864.00
SHEFFIELD INDUSTRIAL SAWS LTD	ATLAS WAY, ATLAS NORTH, SHEFFIELD, S4 7QQ	393.96
Shepherd Distribution Services	Birley Vale Avenue, , Sheffield, S12 2AX	374.30
SMH Fleet Solutions Limited	Church Lane, Norton, Worcester, Worcestershire, WR5 2PR	153.80
South Yorkshire Carton Co	4 Thompson Hill, High Green, Sheffield, S35 4JU	249.00
SPECIALISED LASER PRODUCTS LTD	UNIT 6, FORD PARK, CANKLOW ROAD, WESTGATE, ROTHERHAM, S60 2JB	1,107.30
Spectrum Computer Supplies Ltd	Spectrum House, E Parade, Bradford BD1 5RJ	Uncertain
SPENCER COATINGS	Blackwell Rd, Huthwaite, Sutton-in-Ashfield NG17 2RF	Uncertain
SSE	Inverlmond House, 200 Dunkeld Road, Perth, PH1 3AQ	Uncertain
STARK S.P.A.	STRADA TRIESTINA, 8, 33050 TRIVIGNANO UDINESE	Uncertain
Starweld Engineering Ltd	Harlestone Street, Sheffield, S4 7QB	Uncertain
Steadfast Auto Centre	48 Rutland Rd, Sheffield, S3 8BD	Uncertain
Steve Johnson		Uncertain
Summitglow Ltd	45 Harlestone Street, Sheffield, S4 7QB	Uncertain
SWALEC	CARDIFF, CF30 0EY	Uncertain
Swift and Whitmore Ltd.	270 Coombs Road, Halesowen, West Midlands, B62 8AA	Uncertain
Talent HR	20 Principal Avenue, Barnsley, South Yorkshire, S70 6FF	1,000.00
Taylor & Jones	Burgess Rd, Sheffield S9 3WD	Uncertain
TAYLOR & JONES (2014) LTD	1 COTTON MILL ROW, SHEFFIELD, SOUTH YORKS, S3 8RU	Uncertain
TECHNO MACHINERY SERVICES	30 Portland Ave, Aston, Sheffield S26 2FN	468.00
THE ANCHOR INN (J & R)	Lower Froyle, Alton, GU34 4NA	Uncertain
THE BOATHOUSE		Uncertain
THE COMPANY OF CUTLERS	The Cutlers' Hall, Church Street, Sheffield, S1 1HG	Uncertain
THOMAS FLINN & COMPANY	114 HARVEST LANE, NEEPSEND, SHEFFIELD, S3 8EG	648.44
Thorite	Thorite House, Laisterdyke, Bradford, BD4 8BZ	83.76
THRIFTY CAR & VAN RENTAL	SCOT GROUP LTD t/a THRIFTY, THE GATEHOUSE, RICHMOND PARK RD, SHEFFIELD, S13 8HT	Uncertain
TORRES ENGINEERING & PUMPS LTD	448 BRIGHTSIDE LANE, SHEFFIELD, S9 2SP	1,000.00

Atkinson-Walker (Saws) Limited - In Administration

TRANSGLOBAL EXPRESS	5, Wirral International Business Park Old Hall Rd, Birkenhead, Wirral CH62 3NX	84.00
Trevor Iles Ltd	Unit 7 Meadowhall Trade Centre, Meadowhall Road, Sheffield, S9 1BW	Uncertain
TREVOR SEARS LIGHT HAULAGE	111A NORFOLK PARK AVENUE, SHEFFIELD, S2 2RB	Uncertain
TROY (UK) LIMITED	ROUNDSWELL BUSINESS PARK, BARNSTAPLE, DEVON, EX31 3TU	1,131.60
TSL RECRUITMENT	BBIC, INNOVATION WAY, BARNSELEY, S75 1JL	Uncertain
UK MAIL	Express House, 464 Berkshire Avenue, SLOUGH, BERKSS1 4	Uncertain
UK PAPER ROLLS	Units 1-4 Alderston Pl, Bellshill ML4 3LT	Uncertain
UMICORE MARKETING SERVICES UK LTD	UK BrazeTec Division, Collier House, Mead Lane, Hertford, SG13 7AX	Uncertain
Universal Controls	34 Cow Rakes Lane, Whiston, Rotherham, S60 4AT	591.30
Universal Marking Systems Ltd	Unit 7, Mount Road, Feltham, TW13 6EP	149.40
Vehicle Lift Spares	MANGHAM WAY, BARBOT HALL IND EST, Rotherham, S61 4RL	Uncertain
Vollmer	Orchard Park Industrial Estate, TOWN STREET, SANDIACRE, Nottingham, NG10 5BP	Uncertain
VOLLMER UK LTD	ORCHARD PARK INDUSTRIAL ESTATE, TOWN STREET, SANDIACRE, NOTTINGHAM, NG10 5BP	Uncertain
WALLWORK	SWAVESELEY, CAMBRIDGE	Uncertain
Webfusion	5 Roundwood Avenue, Stockley Park, UB11 1FF	Uncertain
Westpack	100 Cornish Street, Sheffield, S6 3AA	Uncertain
WILKIN CHAPMAN LLP	THE HALL, LAIRGATE, BEVERLEY, HU17 8HL	Uncertain
Williams Fasteners a Division of Northern Power Tools & Equip Ltd	UNIT 4 & 5 COLEFORD ROAD BUSINESS PARK, 291 COLEFORD ROAD, SHEFFIELD, S9 5NF	Uncertain
WILSON BROS. (SHEFFIELD) LIMITED	35 KIRK STREET, SHEFFIELD, S4 7JX	Uncertain
Yorkshire Water	PO Box 52, , Bradford, BD3 7YD	578.03
YOUR FRANKING LTD	THE JOINERS SHOP, THE HISTORIC DOCKYARD, CHATHAM, KENT, ME4 4SX	Uncertain
	Total	513,774.84

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
2 FEBRUARY 2018 TO 19 FEBRUARY 2018**

	Statement of Affairs £	Received by MD Law £	Received by LC £	Cumulative £
RECEIPTS				
Assets Specifically Pledged				
Goodwill	25,020.07	25,020.07	-	25,020.07
Financed Assets				
Plant, Machinery & Equipment	95,734.68	95,734.68	-	95,734.68
Assets Not Specifically Pledged				
Licence to Occupy	-	19,000.00	-	19,000.00
Stock & WIP	<u>10,929.82</u>	<u>10,929.82</u>	<u>-</u>	<u>10,929.82</u>
	<u>131,684.57</u>	150,684.57	-	150,684.57
PAYMENTS				
Praetura Asset Finance – P&M		(42,000.00)	-	(42,000.00)
Camrose Walker Ltd – Rent		<u>(3,166.67)</u>	<u>-</u>	<u>(3,166.67)</u>
		(45,166.67)	-	(45,166.67)
BALANCE IN HAND		<u>105,517.90</u>	<u>-</u>	<u>105,517.90</u>

NOTES**1. Employee Wages**

As detailed above, the Purchaser's offer of £150,000 included a payment of £18,315.43 to the Company's employees in respect of wages to the end of January 2018. It was agreed that the Purchaser would make payments to the employees directly. As these funds have not been received by the Joint Administrators, the transaction has not been recorded in the receipts and payments accounts above. I can confirm however that employee payments have been made by the Purchaser.

APPENDIX C (Continued)

**SUMMARY OF ALDERMORE'S RECEIPTS AND PAYMENTS FROM
2 FEBRUARY 2018 TO 19 FEBRUARY 2018**

	Notes	Statement of Affairs £	Received by Aldermore £	Received by LC £	Cumulative £
RECEIPTS					
Assets Specifically Pledged					
Book Debts		41,398.27	5,015.97	-	5,015.97
DISTRIBUTION					
Aldermore	1	(33,209.20)	(5,015.97)	-	(5,015.97)
SURPLUS					
		8,189.07	-	-	-

NOTES

1. Aldermore's capital indebtedness is £33,209.20. Under the terms of the facility agreement, Aldermore is entitled to levy termination fees and charges which have not yet been quantified and are not included within the figure shown above.

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total		Average Hourly Rate
	Units No	Cost £	
Financial assessment	342	10,696.00	312.75
Strategy & purpose evaluation	214	9,365.00	437.62
Preparation of documents	294	8,435.00	286.90
Chargeholder	72	3,149.00	437.36
Court related issues	3	135.00	450.00
Total	925	31,780.00	343.57

All Units are 6 minutes

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

Time recorded to this category of work has involved the following:

- Assessment of the Company's financial position, including corresponding with key stakeholders;
- Preparing a cash flow analysis of the Company's cash flow;
- Meeting with directors and the Purchaser;
- Internal staff briefings and instructions summarising key points for case progression;
- Corresponding with the secured creditor;
- Liaising with Walker Singleton regarding asset valuations;
- Reviewing accounts and financial information; and
- Corresponding with Praetura, Gibson Booth and CRM.

Strategy & Purpose Evaluation

Time recorded to this category of work has involved the following:

- Corresponding with the directors regarding Administration strategy;
- Corresponding with the directors regarding critical payment strategy;
- Reviewing non-disclosure agreements and information requested;
- Reviewing the offer submitted by the Purchaser and corresponding with agents regarding the offer;
- Various meetings, calls and correspondence with stakeholders regarding the proposed strategy;
- Corresponding with the Company's landlord;
- Corresponding with Aldermore;
- Solicitor correspondence and reviewing sale documentation;
- Advice on Praetura's position;
- Final sale negotiations and;
- Internal discussions regarding SIP16 requirements.

Preparation of Documents

Time recorded to this category of work has involved the following:

- Initial case and file set up;
- Reviewing the NOI and arranging for amendments;
- Serving the NOI;
- Undertaking initial compliance searches and checks;
- Preparing a NDA and IM pack;
- Issuing an engagement letter;
- Undertaking a search of the winding up registry;
- Liaising with MD Law regarding the SPA;
- Chasing required case progression information;
- Instructing agents to undertake various asset valuations;
- Reviewing Praetura termination of agreement;
- Reviewing landlord documentation;
- Reviewing license to occupy;
- Progressing receipt of information required to deal with the above matters;

- Attendance at premises to progress matters; and
- Filing and recording information received into LC's case management system.

Chargeholder

Time recorded to this category of work involved engaging with the Company's secured creditor and involved:

- Meetings to discuss the case and proposed Administration and strategy;
- Assessing Aldermore's overall position;
- Obtaining information regarding the Company's debtor ledger and collection position; and
- Ongoing communication regarding the development of the engagement and the ledger position.

Court related issues

Time recorded to this category of work involved the review of the NOI by one of the proposed Administrators and issuing instructions for service of the NOI.

APPENDIX E

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO 2 FEBRUARY 2018

	FEES ESTIMATE			TIME INCURRED TO 02/02/2018			
	Total		Average	Total		Average	
	Units	Cost	Hourly Rate	Units	Cost	Hourly Rate	
	No	£	£	No	£	£	
Statutory & Review	209	6,486.50	310.36				
Receipts & Payments	109	2,779.50	255.00	-	-	-	-
Insurance	24	713.00	297.08	-	-	-	-
Assets	424	16,006.50	377.51	25	1,125.00	450.00	
Liabilities	435	13,205.50	303.57	19	494.00	260.00	
Landlords	83	3,034.00	365.54	-	-	-	-
Debenture Holder	50	1,661.50	332.30	5	225.00	450.00	
General Administration	127	3,601.00	283.54	-	-	-	-
Appointment	101	2,993.50	296.39	10	320.00	320.00	
Planning & Strategy	42	1,499.50	357.02	10	450.00	450.00	
Post Appointment Creds Mtngs	189	5,932.00	313.86	-	-	-	-
Investigations	112	3,707.50	331.03	-	-	-	-
Preparation of documents	8	120.00	150.00	8	120.00	150.00	
Total	1,913	61,740.00	322.74	77	2,734.00	355.06	

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

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. This will include a Compliance team month 1 review and two periodic reviews of the case.
- Allocation of staff, management of staff, case resourcing and budgeting. It is anticipated the majority of the case progression will be undertaken by an Insolvency Administrator, whose work will be directly reviewed by a Manager. It is anticipated the Joint Administrators involvement will particularly be involved in reviewing and approving statutory documentation, monitoring case progression and asset realisations, ensuring appropriate grades of staff are allocated work depending on the complexity of the task and overseeing case work generally to ensure the purpose of the Administration is achieved.
- 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;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. It is anticipated a minimum of three reports will be issued in this matter – the Joint Administrators Proposals, a first progress report, and a final report;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date the case bank account has been opened, an initial receipts and payment account has been prepared, included within this report, an initial taxation correspondence has been issued.

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.

- 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;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- 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. Insol will be instructed to advise on any further requirements faced by the Joint Administrators following submission of a s120 notice; and
- Liaising with pension companies in accordance with advice received from Insol.

An insolvency bond is in the process of being prepared for submission and a Section 120 pension notice has been filed with the relevant parties.

Assets

- Agreeing strategy for realisation of Company assets – in this instance monitoring and if appropriate progressing debtor realisations following Aldermore's debt collection exercise;
- Instruction of and liaising with agents as required – in this instance Insol have been instructed to provide specialist advice to the Joint Administrators regarding the Company's pension schemes;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Identification and return of third party assets. To date no third party assets, other than Praetura's, have been identified but the Joint Administrators will monitor future correspondence; and
- Identification and dealing with any assets subject to retention of title. To date not assets are thought to be subject to retention of title but the Joint Administrators will monitor future correspondence in this regard.

Liabilities

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

Statutory

- Processing of claims from the Company's creditors. The Company is understood to have c209 creditors but as noted above the balances due to certain creditors are uncertain and therefore will require reconciliation. This will be especially important in the event a dividend becomes payable to the Company's creditors;

- Preparation and submission of periodic progress reports to creditors. It is currently anticipated that one progress and one final report will be issued to creditors.

Non-statutory

- Dealing with enquiries from the Company's creditors. It is anticipated that this will predominantly involve taking receipt of creditor claims from trade and expense creditors.

An initial review of the Company's creditor position has been undertaken for the purpose of this report.

Landlords

The Purchaser has entered into a licence to occupy in respect of the Company's lease for a period of six months. It has been agreed payments will be remitted on a monthly basis to the landlord and therefore it anticipated time will be incurred on a monthly basis ensuring these requirements are met.

Following the licence to occupy period, the Joint Administrators will review the position in respect of the Company's lease, ultimately resulting in the conclusion of the lease through an agreed process with the landlord.

Time will also be expended agreeing a dilapidations schedule with the Company's landlord as part of this process.

General Administration

- General planning matters;
- Setting up and maintaining the administrators' records;
- Arranging collection and storage of company records; and
- 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.

Post Appointment Creditors' Meetings

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a meeting by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

Investigations

- Collecting and reviewing the Company's records;
- 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. This work is undertaken to identify potential additional assets, and avenues of recovery, which, if successful, will likely result in a greater return for creditors. Additionally, the submission of returns under the CDDA is a statutory requirement and it is unlikely to result in any benefit for creditors.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	25.00
Bond Fee	Insurance bond	260.00
Document Hosting	Hosting of documents for creditors	250.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	240.00
Storage Costs	Storage of books and records	500.00
	Total standard expenses	1,362.00

Case Specific Expenses

Type	Description	Amount £
GGL – Accountancy Advice	Costs of providing a variety of accounting services to the Joint Administrators in respect of the Company's affairs	15,000.00
Insol – Pension Advice	Costs of collection of debts	500.00
MD Law – Legal Fees	Costs of appointed solicitors	1,000.00
Walker Singleton	Agents costs in respect of the agreement of dilapidation claims	1,000.00
CRM	Costs of agents in respect of debtor ledger advice	1,500.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	250.00
	Total case specific expenses	19,250.00

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Secured £'000	Financed £'000	Preferential £'000	Unsecured £'000
Amount estimated available to class of creditor	66	9	N/A	Nil
Amount due to creditor per Appendix B	(33)	(42)	N/A	(304)
Estimated dividend rate (as a %)	100%	100%	N/A	Nil

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. With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
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 Regulations 2007	£5.00 plus VAT per individual
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	Type 100 creds Every addtl 10 ADM £14.00 £1.40 CVL £7.00 £0.70 MVL £7.00 £0.70 CPL £7.00 £0.70 CVA £10.00 £1.00 BKY £10.00 £1.00 IVA £10 p.a. or £25 for life of case
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00
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	£83.02 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)	£70.40 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.

Proof of Debt – General Form

Relevant date: 2 February 2018

Name of Company in Administration:

Atkinson-Walker (Saws) Limited

Company registered number:

00229203

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

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

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

10. Date of signing:

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

12. Name in BLOCK LETTERS

13. 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.

APPENDIX J

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

((3;s,2))

Please ask for : Luke Cunningham
Our ref : M/34/LC/SA868H/1040
Your ref :

8 February 2018

**TO ALL CREDITORS
TO ALL EMPLOYEES
TO THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES**

Dear Sir(s)/Madam

**ATKINSON-WALKER (SAWS) LIMITED - IN ADMINISTRATION ("THE COMPANY")
LEEDS DISTRICT REGISTRY OF THE HIGH COURT NO. 104 OF 2018
COMPANY NUMBER: 00229203**

I write to advise you that Richard Pinder and I were appointed as Joint Administrators of the Company on 2 February 2018. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits); and
- Unsecured creditors – a creditor other than a preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential)).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

It is in the nature of a pre-packaged sale in an Administration that unsecured creditors are not given the opportunity to consider the sale of the business or assets before it takes place. It is important, therefore, that you are provided with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that you can be satisfied that we have acted, where necessary, with due regard for your interests.

In this case, a sale of the Company's business and assets was concluded on 2 February 2018 to an unconnected party, Sheffield Industrial Saws Limited ("the Purchaser"). Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose.

With regard to orders placed by the Company prior to Administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since Administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the Administration, your previous account with the Company is frozen and neither the Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of Administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. We are currently in the process of formulating our proposals and these along with details of a decision procedure for their approval will be sent to creditors as soon as practicable. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's guide to Administrators' fees, which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>.

Creditors' Right to Elect to Opt Out

Creditors have the right to elect to opt out of receiving further documents about the Administration unless:

- (i) The Act requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) It is a notice relating to a change in the office-holder or the office-holder's contact details; or
- (iii) It is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors.

Unless provided to the contrary in the Insolvency (England and Wales) Rules 2016 ("the Rules"), opting-out will not affect any right a creditor may have to vote in a decision procedure or to participate in a deemed consent procedure in the proceedings although the creditor will not receive notice of it.

A creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the Company.

Creditors may at any time elect to opt-out. The election to opt out must be made by a notice in writing, authenticated and dated by the creditor and delivered to the office-holder. An example of such a Notice is attached at Appendix B. A creditor

becomes an opted-out creditor when the notice is delivered to the office-holder and will remain an opted-out creditor for the duration of the proceedings unless the opt-out is revoked.

An opted-out creditor may revoke the election to opt out by a further notice in writing, authenticated and dated by the creditor and delivered to the office-holder. The creditor ceases to be an opted-out creditor from the date the notice is received by the office-holder. An example of such a Notice is attached at Appendix C

Notice of General Use of Website to Deliver Information

The Administrators are proposing to communicate with creditors during the Administration via a website in accordance with Rule 1.50 of the Rules. The address of the website is:

<https://leonardcurtis.insolvencydata.co.uk>

Access key: **G7Y8X5JY** (case sensitive)

All future documents in the proceedings (other than those listed below) will be made available for viewing and downloading on this website without further notice. All documents and information made available via the website will remain on the website for at least two months after the conclusion of the Administration.

The Administrators will, however, continue to send you documents for which personal delivery is required, any notice of intention to declare a dividend and any documents addressed specifically to you (as against documents addressed to a class of creditors). We will not automatically send you hard copies of other documents uploaded to the website unless you request us to. Please refer to the enclosed "Notice of General Use of Website" attached at Appendix D for further information.

The following documents either will, or might, appear on the website:

- Joint Administrator's Proposals – as soon as possible after the date of this letter
- Result of consideration of the Proposal – as soon as reasonable practicable after the decision date for approval
- First Progress Report – within 7 month of the date of Administration
- Extension or completion of the Administration, modification of the Administrators Proposals or any other matters affecting the Administration – notice of these could be filed at any time during, and until the termination of, the Administration and creditors are therefore recommended to access the website at regular intervals

You are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

www.creditorinsolvencyguide.co.uk

Finally, if you have any information regarding the conduct of the directors which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the directors.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
For and on behalf of
ATKINSON-WALKER (SAWS) LIMITED

A handwritten signature in black ink, appearing to read 'Sean Williams', with a stylized flourish at the end.

SEAN WILLIAMS
JOINT ADMINISTRATOR

Sean Williams and Richard Pinder are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 11270 and 19470, respectively

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.

Enc

Para 46 of Sch B1 IA86 and Rule 3 27 Insolvency (England and Wales)
Rules 2016

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company ATKINSON-WALKER (SAWS) LIMITED	Company number 00229203
In the Leeds District Registry of the High Court	Court case number 104 of 2018

(a) Insert full name(s) and
address(es)

We (a)

Sean Williams & Richard Pinder of

Leonard Curtis, 36 Park Row, Leeds LS1 5JL

give notice that ~~*I was~~ we were appointed as administrators of the above company on:

(b) Insert date

(b) 2 February 2018

Signed



Dated

8 February 2018

Joint Administrator (IP No(s))

11270 / 19470

**ATKINSON-WALKER (SAWS) LIMITED ("the Company")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
ATKINSON-WALKER (SAWS) LIMITED**

1 INITIAL INTRODUCTION

- 1.1 The Company was introduced to Leonard Curtis Recovery ("LCR") by the relationship manager of the Company's invoice finance facility with Aldermore Bank Plc ("Aldermore") on 5 December 2017. Aldermore introduced the Company to LCR following enforcement action taken against the Company by HM Revenue & Customs ("HMRC"). An initial meeting took place between LCR and the Company on that date at the Company's trading premises situated at 1 Cotton Mill Row, Sheffield S3 8RU.
- 1.2 At that meeting, LCR was advised that the Company had traded profitability for a number of years, however, in recent years the Company had started to experience substantial losses. Management had attempted to address these problems by implementing a number of turnaround measures, however, the Company continued to experience cash flow issues and many suppliers were only willing to supply on a pro-forma basis, or on the proviso that historic debt was paid down. As a result, the Company found it difficult to source steel to complete orders and the Company's trade and tax creditors built up. The initial meeting was called as HMRC had commenced enforcement action against the Company. At this stage, the Company was negotiating with HMRC in relation to a Time to Pay Arrangement ("TTP") and requested advice in relation to this. The Directors were hopeful that the Company could trade out of its current position. LCR subsequently received and reviewed cash flows prepared by the Company.
- 1.3 Following the unsuccessful attempts to secure a TTP with HMRC a further meeting was held between the Directors and LCR on 16 January 2018. Given the circumstances, the Directors were advised that they must act to protect both the assets and the interests of the Company and its creditors. Following that advice, the Directors agreed that steps ought to be taken to place the Company into Administration. LCR was subsequently instructed to assist the Directors in placing the Company into Administration and were formally engaged by the Company on 17 January 2018.
- 1.4 Prior to accepting any insolvency appointment, an Insolvency Practitioner should take all reasonable steps to evaluate any threats to compliance with the fundamental principles described in the Code of Ethics for Insolvency Practitioners issued by the Insolvency Practitioners Association and the Institute of Chartered Accountants in England and Wales.
- 1.5 We do not believe that there are any significant personal or professional relationships between the Company or its directors and LCR, and we confirm that we carried out the appropriate conflict review prior to accepting the appointment.

2 DISTRIBUTION OF PROPOSALS

- 2.1 In accordance with the provisions of Statement of Insolvency Practice 16 ("SIP 16"), when a pre-packaged sale has been undertaken, the Administrator should seek any requisite approval of the Proposals as soon as practicable after appointment and the Proposals should be sent with the notification of the sale. If the Administrator has been unable to meet this requirement the Proposals should include an explanation for the delay.
- 2.2 As detailed above, the Company operated an invoice finance facility with Aldermore. The book debt ledger has been excluded from the sale to the purchaser of the Company's assets. At the date of my appointment, the Company had a gross debtor ledger of c£68k of which c£36k has been disapproved by Aldermore. The Company's indebtedness to Aldermore totals c£34k.
- 2.3 The Proposals and SIP 16 notice are not being distributed simultaneously in this matter whilst the Joint Administrators monitor the performance of book debt collections, particularly those debts that have been

disapproved for funding by Aldermore. It is considered that the realisation of the disapproved debts may result in a surplus being available to the Company's estate which may impact on the outcome for creditors. The Joint Administrators' Proposals will therefore be distributed as soon as practicable.

3 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

3.1 Following our instruction, we wrote formally to the Directors of the Company informing them that our role before any formal appointment would involve providing the following services:

- i) Advising them on which insolvency process would be most appropriate for the Company;
- ii) Dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
- iii) Preparing any report(s) necessary and attending Court hearings if appropriate;
- iv) Advising them on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
- v) Advising them on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.

3.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the Directors in their personal capacity. We recommended that they seek their own independent advice if they were uncertain on any matter, particularly if they had expressed, or were likely to express, an interest in purchasing the Company's business and trading assets. We also wrote to all interested parties who we believed to be connected to the Company advising them of the IP's obligations under Statement of Insolvency Practice 16 ("SIP 16") regarding the marketing of the business and assets of the Company and of their ability to make a submission, or submissions, to the Pre-Pack Pool.

3.3 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its Directors. At this stage of the process the IP will assist the Directors in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, we advised the Directors that the Company was insolvent and that immediate steps be taken to place it into Administration.

3.4 Once the Company has been placed into Administration, the IP becomes Administrator with different functions and responsibilities. The Administrator is obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, he has a duty not to unnecessarily harm the interests of creditors as a whole.

4 BACKGROUND INFORMATION

4.1 The Company was incorporated in March 1928 and commenced trading shortly following its inception. The Company traded from leasehold premises 1 Cotton Mill, Sheffield, S3 8RU.

- 4.2 The Company manufactured industrial saw blades, performed customer own-branding, undertook reconditioning services as well as the sale of associated products. The Company served the wood, metal, aluminium and plastic industries.
- 4.3 Over the last few years the Company has experienced cash flow issues. In June 2014, a sale of the business took place and Christopher Sellers, Mark Stanley, Nicholas Alexander and Terence Lee were appointed as directors. Consideration for the sale was £100k.
- 4.4 *In the accounting period to 31 December 2016 turnover fell by 9.6% from the previous year with the gross profit margin also falling from 19.98% in 2015 to 14.9% in 2016.*
- 4.5 Administrative expenses rose by 23.2% for the year to 31 December 2016 despite the fall in activity. The main drivers behind this increase appear to be an increase in establishment costs, motor expenses, depreciation, bad debts and finance costs.
- 4.6 Overall, the Company has reported a significant loss on ordinary activities of £57,798 and £160,204 in 2015 and 2016 respectively.
- 4.7 As a result of the above, the Company has started to experience significant cash flow issues and a lack of available working capital. The Company has made a number of turnaround measures in order to try and return the Company to profitability. These include but are not limited to:
- Review of the Company's workforce requirements which resulted in 5 redundancies;
 - Investment of Directors' personal funds;
 - Additional personal guaranteed backed debt investment (Reparo Finance Limited and Finance Yorkshire Limited);
 - Agreeing a payment plan with the Company's landlord to ease cash flow pressure;
 - Attempting to agree a time to pay with HM Revenue & Customs ("HMRC");
 - A review of the Company's customers, to focus on the more profitable customers. Analysis illustrated 800 customers over a 12 month period, some at very low levels. A minimum order value was implemented.
- 4.8 In addition the Company has been in discussions with three interested parties in relation to a share sale. The Directors have advised that after a period of prolonged due diligence one party withdrew interest. A second party was only interested in an asset sale of the order book. The third party (the Purchaser) indicated that after consideration would only be willing to purchase the business and assets through an insolvency process (more details below).
- 4.9 The cash flow pressures were putting pressure on the ability to trade, given many suppliers were only willing to supply on a pro-forma basis, or on the proviso that historic debt was paid down. Efforts were made to pay down the key trade suppliers in order to trade more efficiently, much of this cash has come from personal investment from the Directors. Despite these efforts, cash flow pressure increased and HMRC arrears accrued. On 30 November 2017, an enforcement officer attended the Company's premises, requesting repayment in full or an agreed time to pay proposal by 31 January 2018.
- 4.10 The Company was unsuccessful in agreeing a TTP arrangement with HMRC. In the interim period discussions had progressed with the Purchaser who had indicated a willingness to purchase the business through an administration process.
- 4.11 On 16 January 2018, LCR was formally instructed to assist with regards to placing the Company into Administration. A Notice of Intention to Appoint Administrators ("NOI") was filed at court on 17 January 2018. The NOI gave protection to the Company whilst the proposed Administrators could consider the appropriate strategy. On the 20 January 2018, a formal offer to purchase the business was received from the Purchaser. The offer was dependent on a period of exclusivity and offered to complete the sale by 31 January 2018. After advice was taken

from various agents (detailed below) the offer was accepted. A Second NOI was required in order to finalise negotiations with the purchaser of the Company's business and assets. The second NOI was filed on 31 January 2018.

- 4.12 On 2 February 2018, a Notice of Appointment of Administrators ("NOA") was filed at Leeds District Registry of the High Court with the consent of the Company's qualifying floating charge holder, Aldermore. The sale of the business was completed immediately on the appointment of the Administrators.
- 4.13 S Williams and R Pinder are both licensed by the Institute of Chartered Accountants in England & Wales. In Accordance with paragraph 100(2) of schedule B1 to the Insolvency Act 1986, the function of the Joint Administrators may be exercised by either or both, acting jointly or alone.

5 ALTERNATIVE COURSES OF ACTION CONSIDERED BY THE ADMINISTRATOR

- 5.1 The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale:

5.2 Do Nothing

The Company was not in a position to discharge its liabilities as and when they fell due. The Company did not have sufficient assets in which to satisfy its debts. We advised that the Directors could choose to do nothing and allow a creditor to take enforcement action. We advised that this course of action was likely to result in the Company trading insolvent and would be a failure of the Directors' fiduciary duties. The implications of trading insolvent and the potential actions against the Director by any subsequently appointed Administrator or Liquidator were explained. Leonard Curtis Recovery ("LCR") advised that Management had an overriding duty to best protect the Company's assets and to minimise the Company's liabilities to its creditors and members generally. Doing nothing would risk asset values diminishing and the creditor position being made worse. The Directors agreed that doing nothing was not an option and discounted this option.

5.3 Sale of the Shares by Management

The Directors have advised that they approached a number of unconnected third parties prior to LCR's involvement but no offers were forthcoming to purchase the shares of the Company. Given the level of the Company's indebtedness, the Company would be considered a high risk investment with an uncertain outcome on the level of return in exchange for the investment, and therefore this process was discounted.

5.4 Company Voluntary Arrangement ("CVA")

A CVA is a formal procedure which enables a company to agree with its creditors a composition in satisfaction of its debts or a scheme of arrangement of its affairs which can determine how its debts should be paid and in what proportions.

It requires the approval of 75% or more in value of the Company's creditors present in person or by proxy and voting on the resolution to approve the arrangement. If a CVA is validly approved, it binds all of the Company's creditors who were entitled to vote (whether or not they so voted) or would have been so entitled had they received notice of the decision procedure requesting acceptance of the CVA.

This was not considered to be a viable option for the Company for the following reasons:

- There was no immediate source of funding to allow the Company to continue trading;
- There were no funds available to pay month end wages;
- The Company was not able to obtain sufficient supplies of steel to complete orders;
- The Company was subject to enforcement proceedings; and

- The water board had threatened to cut off the water supply to the Company.

The Company's unsecured creditors would also be fundamental in supporting a proposal for the Company to enter into a voluntary arrangement. In light of the level of the Company's trade liabilities and inability to agree a TTP with HMRC, gaining creditor support was uncertain, particularly as the Company was unlikely to be able to make substantial contributions into a CVA. As such, it was determined that a CVA did not have a reasonable prospect of implementation and success.

5.5 Liquidation

Liquidation is generally an option where the business has no future and the Company would look to cease to trade.

Prior to the commencement of Liquidation, there would be no protection for the Company. The Company may therefore be susceptible to recovery actions commenced by its creditors. Prior to entering into Liquidation, trading would cease and all employees would generally be made redundant. A duly appointed Liquidator would then take steps to recover any chattel assets held by the Company and these would be sold by auction at a forced sale value.

Based upon the information available, it was considered that a liquidation process would not be appropriate as the business may have ongoing viability. Cessation of the business would therefore negatively impact on the collectability of the Company's debtor ledger and the realisable value of the Company's assets, in particularly goodwill. The overall liability position would be increased due to employee redundancies.

5.6 Administration

An Administration is a formal insolvency process and is used to maximise the value of the Company's assets and to facilitate a transfer of the trade/business. Administration is generally a process to 'restructure' a business which suffered from an unexpected bad debt or has encountered a period of trading losses which can be rectified.

The Directors, a secured creditor (as holder of a qualifying floating charge) or the Company itself could appoint an Administrator. The objectives of Administration are as follows:

- 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 achieved if the Company be wound up (without first being in administration); or
- c) Realising property to make a distribution to one or more secured or preferential creditors.

We considered that there was a reasonable prospect of achieving either a better result for the Company's creditors as a whole than would be likely if the Company be wound-up (without first being in Administration). It was considered that a sale of the remaining business and assets in Administration would achieve one of these objectives by:

- Enhancing realisations of the Company's tangible assets;
- Maximising realisations from the remaining Work in Progress ("WIP") and debtors ledger;
- Extracting a value from the Company's goodwill; and
- The transfer of 13 employees has resulted in the mitigation of employee claims on redundancy.

A pre-packaged sale was considered to be likely to achieve the objective of the administration for the following reasons:

- A pre-packaged sale could ultimately improve net realisations of the Company's assets as a higher value could be achieved by a sale of the assets in situ rather than by a piecemeal sale of the assets ex situ or a forced sale at auction. An in situ sale of the assets was therefore considered to benefit the overall creditor position;
- Preservation of the goodwill of the Company. Maintaining continuity with customers was likely to enhance the prospect of achieving a higher recovery from the Company's debtor ledger than would be the case if the Company was wound up (without first being in Administration).
- Keeping the current workforce in tact would allow for customer continuity, which should result in greater debtor realisations and minimise any disruption to a debt recovery process.
- The continuity of supply would minimise the disruption to customers therefore ensuring that value of the debtor ledger/WIP is preserved. This also reduces the costs of the administration process by removing the need for ongoing trading in administration, ultimately providing a better result for creditors.
- Preservation of employment of staff. We would seek to transfer all of the Company's staff to a purchaser under the relevant legislation, resulting in the mitigation of employee claims.
- Payment of wages. The purchaser agreed to pay the staff's overdue wages for January. The wages were due on 31 January 2018 and the Company had no funds to pay them. It is highly likely if the sale had not completed the Company would have ceased to trade and the employees made redundant. It is estimated that the costs of redundancy would have totalled approximately £72,489.

5.7 **Whether efforts were made to consult with major creditors and the outcome of any consultations**

Aldermore Bank PLC ("Aldermore")

LCR contacted Aldermore in regard to the Company's financial position and presented the strategy for the administration. Throughout discussions with the Purchaser it was necessary to engage with Aldermore in order to monitor the Company's invoicing and the Company's ability to drawdown on its facility to pay critical suppliers.

Praetura Asset Finance ("Praetura")

The offer received from the Purchaser of the Company's business and assets was on the basis that the finance agreements that the Company held with Praetura were settled and the plant and machinery was free of any encumbrances. As a result, it was necessary for LCR to liaise with Praetura in relation to obtaining a settlement figure for the agreements.

Reparo Finance Limited ("Reparo")

LCR contacted Reparo in relation to a loan they provided to the Company to establish the security position.

HMRC

LCR liaised with HMRC in relation the enforcement action which was underway against the Company. A copy of each NOI and the NOA was served on HMRC.

Water Supplier

LCR were required to liaise with the water supplier due to the threat of the disconnection of the water supply to the Company. A copy of the second NOI and NOA was served on the water supplier.

Landlord

LCR liaised with the landlord of the Company's trading premises in respect of the licence to occupy granted to the purchaser of the Company's business and assets.

Trade and Expense Creditors

No trade or expense creditor was consulted during the pre-administration period by LCR.

It was considered that due to the increasing creditor pressure that consultation with the general body of creditors was not appropriate. It was considered that to do so could result in further enforcement action. This was likely to have had an adverse impact on the likelihood of a going concern sale being achieved and may have put the Company's assets at significant risk.

5.8 Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

Trading the business in an administration followed by a sale of the business was considered, although this was not considered to be the optimal process for the following reasons:

- The Company did not have sufficient free assets which could be used to cover trading losses;
- The Joint Administrators would have to ensure the relevant health & safety requirements were met and would incur insurance costs in doing so;
- The continuing support of staff was uncertain. No funding to pay wages and salaries in a trading period was available;
- Ongoing trading with no guarantee of a purchaser being found could have a significant adverse impact on the position of creditors and also would result in increased administration costs in addition to the overheads associated with ongoing trade;
- Trading the business would not guarantee an improved offer for the assets and may considerably devalue the realisable value of the assets, in particular goodwill;
- There was no prospect of receiving adequate funding to trade the business; and
- Praetura had terminated the finance agreement with the Company and were threatening collection of the assets subject to the finance agreement.

5.10 Details of requests made to potential funders to fund working capital requirements

As advised above, the Directors had introduced personal funds in order to attempt to ease the Company's cash flow issues and increase the Company's available working capital. In addition, a loan was obtained from Reparo Finance Limited to support working capital and to assist cash flow.

Cash flows were prepared and requests made to Aldermore for funding over and above the Company's facility. Given the facility was already over-paid no further funding was available.

5.11 Details of registered charges and dates of creation

Date of creation	Charge holder	Type of charge	Amount secured and assets charged
25 June 2014	Aldermore	Debenture	All property and undertaking of the Company.

5.12 Details of any acquisition of business assets from an insolvency practitioner

We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

6 MARKETING OF THE BUSINESS AND ASSETS

- 6.1 Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the company's creditors as a whole, and is a key factor in providing reassurance to creditors that the insolvency practitioner has acted with due regard for their interests. The particular nature of an insolvency practitioner's position in these circumstances renders transparency in all dealings of primary importance. The insolvency practitioner should advise the company that any marketing should conform to the marketing essentials as set out in Statement of Insolvency Practices
- 6.2 Where there has been deviation from any of the marketing essentials, the Administrator is to explain how a different strategy has delivered the best available outcome.
- 6.3 Following the initial meetings between the Directors and LCR to discuss the Company's financial position and it becoming apparent that the Company was insolvent, the Directors advised that they had received an expression of interest from an unconnected party, Sheffield Industrial Saws Limited ("the Purchaser"), who were interested in purchasing the business and assets of the Company.
- 6.4 The offer received from the Purchaser for the business and assets was in excess of the valuation received from independent agents, Walker Singleton Chartered Surveyors ("Walker Singleton") who valued the physical assets and Gibson Booth Chartered Accountants ("Gibson Booth") who valued the goodwill. The offer was made on the basis that the Purchaser would be given a short period of exclusivity to allow them to complete the purchase.
- 6.5 The Directors have advised that they approached a number of third parties prior to our involvement but no offers were forthcoming apart from the offer from the Purchaser. Management were not interested in putting an offer forward to purchase the business.
- 6.6 It is considered that if we had not accepted the offer with the period of exclusivity we could not place any certainty on a better offer being received, or a sale completing in the time frames available. The short term cash-flow forecasts for the Company illustrated it would be unlikely the Company would have sufficient funds to pay wages at the end of January. Without payment of the wages, it was inevitable that the Company would cease to trade. The Purchaser committed to pay these wages. The Purchaser advised that although they would still make an offer if the business was marketed, it would be a substantially reduced offer.
- 6.7 The Purchaser operates from the locality and advised if unable to agree terms with the landlord, they had capacity to move the business into its current premises.
- 6.8 It is considered extremely unlikely that any other competitors would have the specific set of circumstances which appeared to make the Company attractive to the Purchaser. It is also questionable that they would have had the funds available to complete a transaction where consideration is received on completion. Given the timescales

available, the previous marketing by the Company and the advice received, it was unlikely a better offer would be received.

- 6.9 *In sales of this nature it is standard practice to expect an element of the sale consideration to be payable on a deferred basis. This adds increased risk (of none payment) and cost to the administration (for monitoring and pursuing payment). In this instance the offer was for the consideration to be paid in full on completion. Further, the offer included a licence to occupy the current premises for 6 months, which could mitigate the claim in the administration from the landlord.*
- 6.10 As advised above, we considered the offer from the Purchaser was in excess of the values likely achievable through any further marketing. Especially given the creditors pressure and poor cash flow of the Company, which significantly reduced the time available to market the business.
- 6.11 Given the circumstances of this case, we considered it appropriate to accept the offer from the Purchaser with the period of exclusivity as it was considered to be in the best interest of all creditors.

7 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers / advisors

7.1 Walker Singleton

The physical assets of the Company were reviewed by RICS registered independent agents and valuers, Walker Singleton, further to a verbal instruction on 17 January 2018. Formal instructions setting out the requirements for the valuation were provided on 26 January 2018. Walker Singleton was asked to prepare an indicative valuation report setting out the Company's remaining business and assets. In addition, Walker Singleton was asked to assist the proposed Joint Administrators in determining the method of disposal that was likely to be in the best interests of creditors as a whole.

Walker Singleton were made aware that a pre-packaged sale of the Company's business or assets was contemplated, and as such the marketing essentials detailed in Statement of Insolvency Practice 16 ("SIP16") must be complied with or if not explanations would need to be given to creditors as to why the offer was in the best interests of creditors. Walker Singleton recommended acceptance of the offer without further marketing.

In accepting the instructions, Walker Singleton confirmed their independence to act in this matter and have confirmed that they hold the requisite level of professional indemnity insurance. Furthermore, we have been advised that the agents conducting the valuations have the appropriate level of experience, skill and competence to conduct the valuations.

Cerberus Receivables Management ("CRM")

Formal instructions were made to Cerberus Receivables Management ("CRM") on 29 January 2018 to assess the Company's remaining book debt ledger and to assess the prospect of recoverability and the value of any equity position.

In accepting the instructions, CRM confirmed their independence to act in this matter and have confirmed that they hold the requisite level of professional indemnity insurance. Furthermore, we have been advised that the agents conducting the valuations have the appropriate level of experience, skill and competence to conduct the valuations.

CRM recommended acceptance of the offer to maximise realisations from the Company's debtor ledger.

Gibson Booth Chartered Accountants ("Gibson Booth")

Verbal instructions were made to Gibson Booth on 17 January 2018 to value the Company's Goodwill position. Formal written instructions were sent on 22 January 2018.

In accepting the instructions, Gibson Booth confirmed that they have no real or perceived ethical difficulties in accepting this instruction, that they are independent and that they carry adequate professional indemnity insurance for the valuation and work performed.

Gibson Booth are regulated by the Institute of Chartered Accountants.

7.2 The valuations obtained of the business or the underlying assets

Category of asset	Note	Book value (as per accounts for the year ended 31/12/16) £	Market Value In-Situ (note 1) £	Market Value Ex-Situ (note 2) £	Value achieved £
Fixed charge assets					
Goodwill	7.3	-	5,000.00	-	25,020.07
Book Debts	7.4	256,035.00	-	-	-
Floating charge assets					
Plant, Machinery and Equipment	7.5	87,287.00	97,500.00	76,750.00	95,734.68
Stock & Work-in-Progress	7.6	163,211.00	19,000.00	12,700.00	10,929.82
TOTAL		506,533.00	116,500.00	89,450.00	131,684.57

Note 1: High Value – Assuming that all assets are sold together as a whole, in their existing location, as part of a sale as a going concern.

Note 2: Low Value – also referred to as "Market Value Ex-Situ" (Assuming that assets are removed from their current location, at the expense of the Purchaser, assuming that no reasonable marketing period).

Agents advised that a sale of the business as a going concern would in the circumstances of this case result in the best possible outcome for the Company's creditors and therefore provided the "High" value noted above. The "Low" value was provided as what the Joint Administrators could expect to achieve if a sale of the business was not possible and the assets had to be sold on a piecemeal basis. Please note the low value does not include costs of sale, which would be significant in this instance (e.g. rent, storage, insurance and security).

An explanation of the sale of the assets compared to those valuations

7.3 Goodwill

Gibson Booth provided a valuation report in respect of the Company's goodwill which was based a review of the background of the business and an assessment of the Company's financial information and current market conditions. The financial information provided by management included the full accounts for years ended 31 December 2016 and 31 December 2015, and the latest management information to 31 December 2017.

Gibson Booth advised that based on the current trend of the business, any economic benefit from future cash flows is unlikely, however, acknowledged that the Company's trading style, history of the business, its customer base, website, literature and expertise has some intrinsic value and advised that the fair value of the Goodwill to be £5,000.

Gibson Booth also advised that any delay in resolving the position would have a negative effect on the potential Goodwill value. Gibson Booth recommended that it would not be in creditors' best interests to market the business further, given the offer received.

The Purchaser offered £25,020.07 for the goodwill which Gibson Booth recommended for acceptance.

In accepting the instructions, Gibson Booth confirmed their independence to act in this matter.

7.4 **Book Debts**

Aldermore provided an invoice finance facility to the Company. At the date of my appointment, the Company had a gross debtor ledger of c£68k of which c£36k was disapproved by Aldermore due to ageing and disputes. Aldermore had approved funding for c£32k. The Company's indebtedness to Aldermore totalled £34k.

CRM recommended accepting the offer, without further marketing, in order to maximise realisations from the debtor ledger.

The Company's book debts have been explicitly excluded from the sale to the Purchaser. Aldermore has advised that it is undertaking a debt collection process with assistance from the Purchaser. The Joint Administrators will monitor the performance of book debt collections, particularly those debts that have been disapproved for funding by Aldermore. It is considered that the realisation of the disapproved debts may result in a surplus being available to the Company's estate which may impact on the outcome for creditors.

7.5 **Plant, Machinery and Equipment**

Walker Singleton conducted a physical review of the Company's plant, machinery and equipment on 23 January 2018.

In their valuation report, Walker Singleton advised that the principal assets within the business were saw manufacturing and sharpening machinery. The age range of the machinery ranged from mid-1980's to 2012 with the majority of machines being in the older category. Some of the machinery was in-house manufactured.

The machinery was subject to finance with Praetura Asset Finance who had issued a Notice of Termination and were threatening to uplift the assets.

Walker Singleton advised that the equipment consisted principally of office furniture which had a nominal value given its age and condition.

As detailed in the table above the offer received for the plant, machinery and equipment was at the high end of the valuation provided by Walker Singleton and was recommended for acceptance.

7.6 **Stock and Work-in-Progress ("WIP")**

Walker Singleton conducted a review of the stock, raw materials and WIP of the Company, and provided high and low valuations on the basis of an in-situ sale and forced exit sale ex-situ. Valuations were provided on this basis provided the estimated outcome in a pre-packaged sale scenario and a distressed sale on a break up basis. Walker Singleton advised that a sale in the region of between £19,000 and £12,700 would represent fair value for this category of asset. Due to the Company being unable to source a supply of steel, the Company is unable to complete the work in relation to the WIP. In these circumstances the value of the WIP was considered nominal. The offer received for the purchase of the stock and WIP was £10,929.82 which Walker Singleton subsequently recommended for acceptance.

Although the offer for this category of asset was lower than the valuation the overall offer was significantly higher and therefore was recommended for acceptance.

7.8 If no valuation has been obtained, the reason for not having done so and how the administrator was satisfied as to the value of the assets.

Valuations were obtained for all assets.

8 THE TRANSACTION

8.1 On 2 February 2018, immediately following the appointment of the Joint Administrators, a sale of the Company's business and assets was concluded to Sheffield Industrial Saws Limited for the sum of £150,000. As part of the agreement, a payment of £18,315.43 was deducted to cover staff wages up to the end of January.

8.2 The transaction has been apportioned as follows:

	£
Sale Consideration	150,000.00
Less: Wages paid by the Purchaser	<u>(18,315.43)</u>
Amount received by the Joint Administrators	<u>131,684.57</u>

8.3 The sale consideration received by the Joint Administrator's has been apportioned as follows:

	£
Assets Specifically Pledged	
Goodwill	25,020.07
Assets Not Specifically Pledged	
Stock & WIP	10,929.82
Plant, Machinery and Equipment	<u>95,734.68</u>
	<u>131,684.57</u>

8.3 The sum of £42,000 plus VAT has been paid to Praetura in relation to the settlement of the finance agreements held with the Company in respect of the Plant and Machinery. This was paid out of the consideration received from the Purchaser.

8.4 The Company's Book debts have been excluded from the sale to the Purchaser.

8.5 In accordance with the sale agreement, the consideration was paid in full on completion.

8.6 All employees of the business have been transferred under the relevant TUPE regulations to the Purchaser. The TUPE liability has been estimated at approximately £72,489.

8.7 In addition to the above, a six month licence granted to the Purchaser to occupy the Company's trading premises. A licence fee for the six month period totalling £19,000 has been received in full. It has been agreed by the Administrators with the Landlord that payment will be made in advance on a monthly basis.

9 STATUTORY PURPOSE OF ADMINISTRATION

9.1 The Joint Administrators must perform their functions with the objective of:

- (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.
- 9.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.
- 9.3 In this instance, objective (a) is not possible to be achieved given the level of historic liabilities and realisations anticipated.
- 9.4 We consider that objective (b) may be achievable for the following reasons:
- A value has been extracted from the Company's goodwill;
 - The transfer of employees has resulted in the mitigation of employee claims on redundancy; and
 - Continuity of trade will result in enhanced realisations from the debtor book.
- 9.5 In the event that objective (b) cannot be achieved, we consider that objective (c) can be achieved as goodwill realisations will be available to distribute to Aldermore under the terms of its fixed charge security in the event of a shortfall from the book debts.
- 9.6 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

APPENDIX B

Insolvency (England and Wales) Rules 2016

Rule 1.38

Creditor's Election to Opt Out

Insert court or Proceedings	In the:	LEEDS DISTRICT REGISTRY OF THE HIGH COURT	No:	104 OF 2018
Insert full name	Re:	ATKINSON-WALKER (SAWS) LIMITED (IN ADMINISTRATION)		
	Previous Name:			
	Registered No:	00229203		
	Address of Company	1 Cotton Mill, Sheffield, S3 8RU		
a) Insert full name and address of creditor making the election	I, (a)			

A creditor of the above Company, elect to opt out of receiving documents.

I acknowledge that I shall remain an opted-out creditor for the duration of these and any following proceedings unless and until I elect in writing to revoke my opt out.

I acknowledge that I shall continue to receive:

- all documents that the Insolvency Act 1986 or the court requires to be delivered to all creditors;
- notice of any change in the office-holder or their contact details; and
- notice of any distributions applicable to me.

a) Insert name and address of office holder to whom you will deliver this notice	(b)	SEAN WILLIAMS AND RICHARD PINDER OF LEONARD CURTIS, 36 PARK ROW, LEEDS, LS1 5JL
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This form can be be Authenticated for submission by email by entering your name and email address and sending the form as an attachment from an email address which clearly identifies you.	Signed / Authenticated	
	Date	
	Name (BLOCK LETTERS)	
	Relationship to Creditor	

APPENDIX C

Insolvency (England and Wales) Rules 2016

Rule 1.38

Creditor's Election to Opt Out - Revocation

Insert court or Proceedings	In the:	LEEDS DISTRICT REGISTRY OF THE HIGH COURT	No:	104 OF 2018
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Insert full name	Re:	ATKINSON-WALKER (SAWS) LIMITED (IN ADMINISTRATION)
	Previous Name:	
	Registered No:	00229203

Address of Company	1 Cotton Mill, Sheffield, S3 8RU
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b) Insert full name and address of creditor making the request	I, (a)	
--	--------	--

a creditor of the above Company, REVOKE my election to opt out elect to opt out of receiving documents.

c) Insert name and address of office holder to whom you will deliver this notice	(b)	SEAN WILLIAMS AND RICHARD PINDER OF LEONARD CURTIS, 36 PARK ROW, LEEDS, LS1 5JL
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This form can be Authenticated for submission by email by entering your name and email address and sending the form as an attachment from an email address which clearly identifies you.	Signed / Authenticated	
	Date	
	Name (BLOCK LETTERS)	
	Relationship to Creditor	

APPENDIX D

Insolvency (England and Wales) Rules 2016

Rule 1.50

Notice of General Use of Website to Deliver Documents

In the:	LEEDS DISTRICT REGISTRY OF THE HIGH COURT	No:	104 OF 2018
Re:	ATKINSON-WALKER (SAWS) LIMITED (IN ADMINISTRATION)		
Previous Name:			
Registered No:	00229203		
Address of Company	1 Cotton Mill, Sheffield, S3 8RU		

NOTICE IS HEREBY GIVEN THAT Sean Williams and Richard Pinder intend to deliver all future documents in this case (other than those listed below) to a website. The documents will be made available for viewing and downloading to the website without any further notice to you. The details of the website are:

Address of website: <https://leonardcurtis.insolvencydata.co.uk> ("the Website")

Password / KeyCode: **G7Y8X5JY**

The Joint Administrators are not obliged to deliver any documents to you (other than those listed below) unless they are requested to do so by you. You may, at any time, request a hard copy of any or all of the following:

- All documents currently available for viewing on the Website;
- All future documents which may be made available on the Website

Such requests should be made to the Joint Administrators at:

Telephone number: 0113 323 8890
 Email address: recovery@leonardcurtis.co.uk
 Postal address: Leonard Curtis, 36 Park Row, Leeds LS1 5JL

This Notice does not apply to the delivery of the following documents:

- i. A document for which personal delivery is required;
- ii. A notice under Rule 14.29 of the Insolvency (England and Wales) Rules 2016 of an intention to declare a dividend; and
- iii. A document which is not delivered generally

All documents and information made available via the website will remain on the website for at least two months after the conclusion of the Administration.

Dated 8 February 2018



Signed
SEAN WILLIAMS
JOINT ADMINISTRATOR

APPENDIX K

Insolvency (England and Wales) Rules 2016

Rule 3.39

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

In the:	HIGH COURT OF JUSTICE CHANCERY DIVISION LEEDS DISTRICT REGISTRY	No:	104 OF 2018
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Re:	ATKINSON-WALKER (SAWS) LIMITED (IN ADMINISTRATION)
Previous Name:	N/A
Registered No:	00229203

Address of Company	1 Cotton Mill, Sheffield, S3 8RU
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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 THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether to form a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Sean Williams and Richard Pinder 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 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by:
and should be delivered to:

9 March 2018
Sean Williams and Richard Pinder
Tower 12, 18/22 Bridge Street
Spinningfields
Manchester
M3 3BZ
Tel: 0161 831 9999
Email: recovery@leonardcurtis.co.uk

Signed:



Dated: 23 February 2018

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.