

AM03

Notice of administrator's proposals



Companies House

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1	Company details	
Company number	0 1 3 1 8 7 2 4	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Accrofab Limited	
2	Administrator's name	
Full forename(s)	Ryan	
Surname	Grant	
3	Administrator's address	
Building name/number	c/o Interpath Ltd	
Street	2nd Floor, 45 Church Street	
Post town	Birmingham	
County/Region		
Postcode	B 3 2 R T	
Country		
4	Administrator's name ①	
Full forename(s)	Christopher Robert	① Other administrator Use this section to tell us about another administrator.
Surname	Pole	
5	Administrator's address ②	
Building name/number	c/o Interpath Ltd	② Other administrator Use this section to tell us about another administrator.
Street	2nd Floor, 45 Church Street	
Post town	Birmingham	
County/Region		
Postcode	B 3 2 R T	
Country		

AM03
Notice of Administrator’s Proposals

6 Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7 Sign and date

Administrator's Signature	Signature ✕  ✕									
Signature date	<table><tr><td>^d 1</td><td>^d 9</td><td>^m 0</td><td>^m 4</td><td>^y 2</td><td>^y 0</td><td>^y 2</td><td>^y 3</td></tr></table>	^d 1	^d 9	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3	
^d 1	^d 9	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3			

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 Holly Barton

Company name Interpath Ltd

Address 5th Floor, 130 St Vincent Street

Post town Glasgow

County/Region

Postcode G 2 5 H F

Country

DX

Telephone Tel +44 (0) 115 666 0263



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- ☐ 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.



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



Further information

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

Joint Administrators' proposals

Accrofab Limited - in Administration

19 April 2023

Deemed delivered: 21 April 2023

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+AN227F4528.html. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).

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1 Executive summary

Accrofab Limited ('the Company' / 'Accrofab') was incorporated in 1977 and is a tier one fabrications supplier to global OEM's in the Aerospace and Power generation sectors. The Company operates out of a leasehold premises in Spondon, Derby.

Accrofab's parent company, Bromford Industries Limited ('Bromford Industries'), faced financial challenges following issues in relocating its operations from its previous facility at Birmingham to Leicester. In addition, Accrofab and its UK Parent Bromford Industries (together 'the UK Group') faced a number of challenges including escalating raw material and energy costs and supply chain disruption.

The cumulative impact of these issues meant that in December 2022, Bromford Industries approached its two key customers seeking financial support which would allow the UK Group to continue trading while the performance of the Leicester facility was turned around. On 24 February 2023, those negotiations failed and as a result a notice of intention to appoint administrators was filed by the directors on 27 February 2023.

Interpath were engaged by Bromford Group Limited (parent company of Bromford Industries) on 27 January 2023 to prepare for an administration appointment in the event the customer funding discussions were not successful. This ultimately included negotiating trading agreements and obtaining financial support from the Company's key customer, Rolls Royce, that would allow the Administrators to continue to profitably trade the business in administration over a 13 week period. The customer funding agreements also included a contribution to the Administrators' time costs to ensure the costs associated with trading are fully borne by the customers (Section 3 – Background and events leading to the administration).

Having secured this vital customer support, the directors of the Company took steps to protect the interests of creditors and subsequently appointed us – Ryan Grant and Chris Pole – as Joint Administrators of the Company on 9 March 2023 (Section 3 – Background and events leading to the administration).

This customer funding has provided a platform to continue to trade the business and ensure continuity of operations while we market the business and assets for sale. We are seeking offers for the business as a going concern and this process is ongoing at the date of this report. Accordingly, our primary strategy of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound up without first being in administration through a sale of the Company's business and assets (Section 4 – Strategy and progress of the administration to date).

On appointment, the Company's debtor ledger totalled £2.3 million (excluding intercompany balances) and to date we have collected £1.8 million. We continue to pursue the remaining balances (Section 4 – Strategy and progress of the administration to date).

The Company has two secured creditors, namely Citizens Bank N.A. ('Citizens Bank') and Stellus Capital Investment Corporation ('Stellus'), and on appointment owed approximately £26.0 million and £8.3 million respectively (before accrued interest and charges). We anticipate there will be a distribution to the secured creditors however,

timing and amounts of any distributions are currently uncertain until the sale of business process is concluded (Section 5 - Dividend prospects).

Ordinary preferential claims are expected to be minimal and secondary preferential claims are estimated at £0.4 million. We anticipate distributions will be made to both ordinary and secondary preferential creditors, however, the timing and amounts of any distributions are currently uncertain (Section 5 - Dividend prospects).

Based on current estimates, it is unlikely that there will be sufficient funds to enable a distribution to unsecured creditors, other than by virtue of the prescribed part (Section 5 - Dividend prospects).

We intend to seek approval of our proposals by deemed approval. These will be deemed approved eight business days following the delivery to creditors (Section 7 – Approval of proposals).

We propose that our remuneration will be drawn on the basis of time properly spent by us and the various grades of our staff in accordance with the fees estimate and charge out rates provided. We will seek approval of our remuneration, the authority to pay pre-administration costs as an expense of the administration and other decisions from the secured and preferential creditors (Section 7 - Joint Administrators' remuneration, expenses and pre-administration costs).

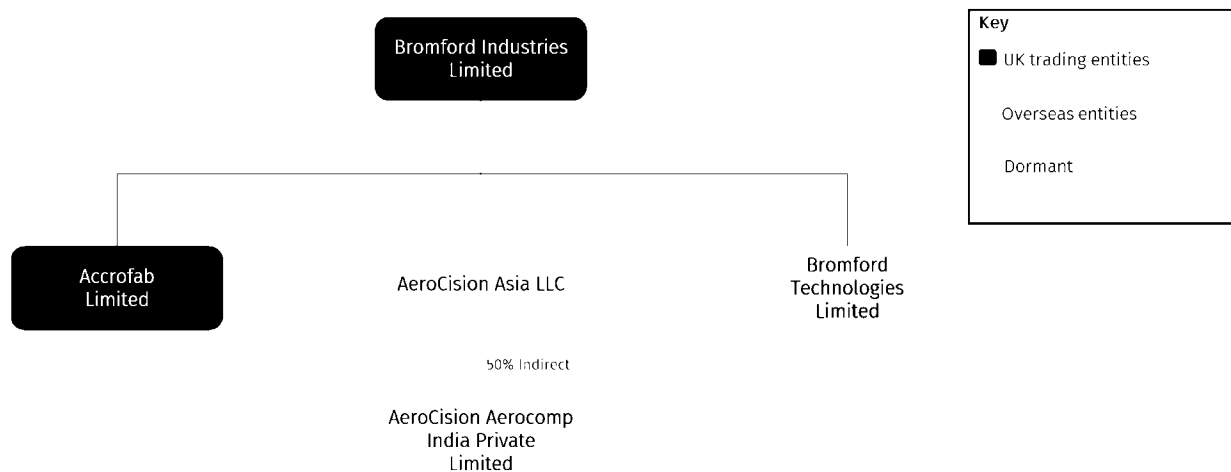
We anticipate that the most likely exit route will be dissolution (Section 5 - Ending the administration).

This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Ryan Grant
Joint Administrator

2 Group structure



Bromford Industries is the parent Company of Accrofab and operates from two sites, Alcester and Leicester. Bromford Industries has also been placed into administration with Ryan Grant and Chris Pole appointed Joint Administrators. The Alcester site specialises in the production of close tolerance fabricated components for the Aerospace and Power Generation sectors. The Leicester machining business supports the Aerospace and Power Generation sectors specialising in the support of complex medium and large rings and castings.

Bromford Industries previously had operations in Birmingham, West Midlands, however, this site was exited in May 2022 and all operations have been consolidated into the Leicester operation.

Accrofab is based at Derby and is a UK based fabrication businesses. Accrofab is wholly owned by Bromford Industries.

Aerocision Asia LLC is 100% owned by Bromford Industries and is the holding Company which holds 50% of the shares of AeroCision Aerocomp India Private Limited.

ACI is based in Bangalore and is a joint venture with 50% owned by the UK Group and 50% owned by the founder in India.

ACI is an export house to the UK Group, which outsources a small amount of its machined components.

Bromford Technologies Limited is a dormant entity and wholly owned subsidiary of Bromford Industries Limited (in administration) and is not in an insolvency process.

3 Background and events leading to the administration

3.1 Background information

The Company was incorporated in 1977 and is based in Spondon, Derby where it operates from a leasehold property and engages in sheet metal cutting which is then supplied into the aerospace industry.

The Company employed 107 members of staff at the date of appointment.

3.2 Funding and financial position of the Company

The Company is a profitable business which generated revenue of £8.3 million and £1.3 million EBITDA in the year ended 30 September 2022. However, Accrofab's financial challenges have resulted from it being a guarantor to the UK Group debt totalling \$31.52 million.

The Company was acquired in 2019 by the Bromford Group which is ultimately owned by Liberty Hall Capital Partners ('Liberty Hall'). The UK Group was historically funded by its owner Liberty Hall and also received \$31.52 million of term loans provided by the secured lenders represented by the security trustee Citizens Bank ('1st lien Secured Creditor') and a further \$10 million of term loans provided by Stellus ('2nd lien Secured Creditor'). This lending was provided to the UK Group and joint and several cross guarantee security was given by Accrofab in respect of this lending.

Full details of the security held by Citizens Bank and Stellus is provided in Section 4.

3.3 Events leading to the administration

Accrofab's parent company, Bromford Industries, was previously headquartered in Birmingham. Following the loss of a contract with one of its key customers in quarter 2 of 2019, the Bromford Group took the decision to move the operations at Birmingham (which is now closed) into the Bromford Industries Leicester facility. The transfer took place between March 2020 and December 2021 and took longer than expected. Following this, the Leicester facility faced start-up operational issues which resulted in delayed production and a significant working capital cash requirement for the UK Group.

In addition, the UK Group faced a number of challenges including escalating raw material and energy costs as well as supply chain disruption. Despite these challenges, Accrofab continued to generate positive EBITDA.

In December 2022, the cumulative impact of these issues resulted in Bromford Industries approaching its two key customers at Leicester (Rolls Royce and Siemens) to seek an 'accommodation agreement' which, if granted, would provide Bromford Industries with financial support to allow the Leicester site to continue trading for 12 months while an operational turnaround was implemented.

Discussions regarding the accommodation agreement continued during the period January 2023 through to early March 2023, whilst a level of ongoing financial support was provided by the customers during this time.

Interpath were introduced to the UK Group in January 2023 whilst management were exploring solvent options for the business, including the customer accommodation agreement. We were subsequently engaged by Bromford Group Limited (the holding company of Bromford Industries) on 27 January 2023 to explore contingency planning options in the event a solvent solution was not possible. This involved preparing for an administration appointment which ultimately included negotiating trading agreements with the key customers of the three operating facilities to ensure the businesses could trade for a 13-week period following an administration appointment.

Bromford Industries was not able to reach a solvent agreement for further funding from its key customers, resulting in the director of Bromford Industries resolving to file a notice of intention to appoint us as Joint Administrators on 27 February 2023. Subsequently, since Accrofab was a guarantor to the UK Group's secured debts (totalling c\$41.5 million), the insolvency of Bromford Industries would effectively cause this secured debt to be demanded upon the whole UK Group. Accordingly, the directors of Accrofab concluded that the Company was therefore insolvent and also resolved to file a notice of intention to appoint administrators on 27 February 2023.

We were subsequently appointed as Joint Administrators of the Company on 9 March 2023. On the same date, we were also appointed Joint Administrators of Bromford Industries.

At the time of our appointment, we disclosed to the Court details of the work carried out by Interpath up to that time.

3.4 Pre-administration work

As detailed above, the following work was carried out prior to our appointment with a view to placing the Company into administration:

- Negotiations with the Company's key customer to agree terms of ongoing trading and funding support for an initial 13-week period following an administration appointment. This arrangement was formally documented in trading agreements with each key customer, with Irwin Mitchell LLP (the Joint Administrators' legal advisors) assisting;

- A detailed overhead forecast was created to support the funding request provided to customers;

Insolvency planning was undertaken in order to be in a position to accept an appointment. This work involved the identification of critical suppliers who would be maintained/retained following an administration appointment to service the key customers under the trading agreements;

Interpath worked with the secured creditors and the directors (and their legal advisors) to assist in the preparation of the appointment documents and the overall secured creditor consent process;

Irwin Mitchell LLP also assisted the Company in drafting the above trading agreements and appointment documentation;

Other preparatory work included liaising with the directors and the plant and equipment agents (Gordon Brothers), in order to prepare for the appointment.

We worked with management to prepare marketing material and obtain financial and operational information required by potential interested parties, such that a sale of business process could be implemented immediately following appointment.

The Joint Administrators are satisfied that the work carried out by Interpath before the appointment, including the pre-administration work summarised above, has not resulted in any relationships which create a conflict of interest or which threaten their independence.

Furthermore, the Joint Administrators are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

The Joint Administrators carried out this work with the objective of achieving the purpose of the administration in accordance with Paragraph 3(1)(b), which is likely to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration).

3.5 Appointment of Joint Administrators

The notice of appointment was lodged at the High Court of Justice, Business and Property Courts in Birmingham on 9 March 2023 and we were duly appointed.

The Joint Administrators engaged Harrison Clark Rickerbys Limited to undertake an independent review of the validity of our appointment. Harrison Clark Rickerbys Limited has confirmed the validity of the Joint Administrators' appointment.

4 Strategy and progress of the administration to date

4.1 Strategy to date

The Joint Administrators' strategy following appointment is to continue to trade the business over a 13-week period, in order to explore the prospects of achieving a sale of the business as a going concern with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company had been wound up without first being in administration.

This strategy has been undertaken to maximise asset realisations, in particular the book debts and maximise the value which can be achieved from a sale of the business and its assets. We prepared forecasts prior to the appointment which showed that if we were to trade the business in an administration funding would be required. Therefore, the Company's key customer has agreed to provide upfront funding to the Administrators thereby ensuring all trading overheads are covered and to provide a guaranteed trading profit for the benefit of the creditors.

The Company employed 107 members of staff at the date of appointment. To date, no redundancies have been made and the Company in administration has recruited 9 employees during the administration on a temporary or permanent basis.

As detailed above, the key customers of the Company and Bromford Industries were approached to obtain financial support to continue trading the UK Group during the administration.

In relation to the Company, an agreement was reached with Rolls Royce, the major customer ('Trading Agreement Customer') of the Company, to support the continuation of trade for a 13-week period from 9 March – 9 June 2023. Rolls Royce provided upfront funding of £1.24 million to cover the forecast trading loss over this trading period (shown as "contribution to costs of the trading period" in the receipts and payments account at Appendix 2) and guarantee a weekly trading profit.

Following completion of the trading period, collection of all trading sales and payment of suppliers, we will complete a reconciliation with the customers to ensure a total trading profit of £15,000 a week (estimated to total £195,000 for the 13-week trading period) is realised.

Furthermore, the negotiated customer agreement provides that the customer will contribute to cover the Joint Administrators' time costs associated with trading, ensuring this cost will not be borne by the creditors. This amount will be confirmed at the end of the trading period.

As part of our trading activities, we have negotiated post-appointment trading terms with all suppliers required for ongoing trade to ensure we can continue to meet production schedules. We also continue to work with the Company staff to ensure suppliers are being paid in accordance with negotiated terms of trade.

During the trading period up to the date of this report, 9 March 2023 to 10 April 2023, sales of £1.8 million have been achieved of which £133,000 has been collected to date. Sales collected in the period are lower than sales generated as credit terms have been agreed

with the customers. We have made trading payments to date totalling £269,000 which primarily consists of the March payroll and other supplier payments.

Creditors should note that the underlying trading performance is a result of timing differences of cash receipts and payments and is not an accurate reflection of trading performance to date.

A receipts and payments account included at Appendix 2 summarises these trading amounts. A final trading account will be available in the Joint Administrators' Progress Report.

As part of our strategy, we have utilised the trading platform to immediately commence marketing the business and assets as a going concern. We have approached over 200 trade and financial investors and have requested that indicative offers are submitted by 26 April 2023. Offers should be submitted in writing to dom.pannozzo@interpathadvisory.com and isabel.hunt@interpathadvisory.com.

Given the sale process is ongoing we are unable to disclose details of this process until a transaction is complete given its commercial sensitivity. We will provide creditors with a detailed update once a sale of the business and/or its assets has concluded.

The Company was owed £18.2 million as at the date of appointment by its parent company, Bromford Industries.

As detailed above, Ryan Grant and Chris Pole were also appointed Joint Administrators of Bromford Industries on 9 March 2023. As such, Accrofab will have an unsecured claim in the administration of Bromford Industries. It is unclear at this stage whether there will be any recoveries for this balance.

4.2 Asset realisations

Realisations from the date of our appointment to 10 April 2023 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

On the date of appointment, the Company's debtors' ledger totalled £2.3 million.

During the period, we have collected book debts totalling £1.9 million of which £369,000 has been received directly by the Administrators, with the balance being received into the Company's pre-administration bank account. These monies will be transferred to the Administrators' bank account in due course.

We continue to collect the balance of the Company's book debts (approximately £0.4 million) and will provide an update to creditors on progress made in our next report.

The Company had stock with a book value of £1.8 million on appointment. Since appointment, we have utilised this stock for ongoing trading. Any stock realisations will crystallise upon any sale of business transaction, the quantum of which will depend on the stock held at that time and the price offered by a purchaser.

Since appointment, we have received five retention of title ('ROT') claims from suppliers for goods that were supplied to the Company prior to the Joint Administrators' appointment. The Joint Administrators are progressing these claims with a view to coming to a resolution for these goods should they be required during the trading period.

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to us at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF, United Kingdom or emailing us at bromfordandaccrofab@interpathadvisory.com.

4.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 10 April 2023 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below:

Our key trading costs paid to date comprise direct labour of c.£250,000 representing payment to the retained employees from our appointment until 31 March 2023 and approximately £14,000 representing direct material and subcontractor costs required to produce customer parts.

5 Dividend prospects

5.1 Secured creditors

At the time of our appointment, there were two secured creditors of the Company, namely Citizens Bank and Stellus. The lending provided to the UK Group was cross guaranteed by both the Company and Bromford Industries.

Citizens Bank is the security trustee in respect of the 1st lien group of lenders ('1st lien Secured Creditor') who provided the UK Group \$31.52 million of term loans. We understand that the 1st lien Secured Creditor has fixed and floating charge security against the assets of the Company ranking ahead of Stellus (see below).

Stellus (2nd lien Secured Creditor) advanced term loans totalling \$10 million to the UK Group. We understand the 2nd lien Secured Creditor holds fixed and floating charge security against the assets of the Company ranking after the 1st lien Secured Creditor.

Our lawyers are in the process of completing a security review and as such, we will confirm the validity of the lenders security in our next report to creditors.

We anticipate a distribution is likely to one or more of the secured creditors, however, the timing and quantum will be confirmed once the sale of business process is complete.

5.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 5.3 below). These claims are therefore referred to as "ordinary preferential creditors".

The amount of ordinary preferential claims is currently unknown.

Based on current estimates, we anticipate that ordinary preferential creditors should receive a dividend of 100p in the £. The timing and amount of any distribution are dependent upon the realisations and associated costs of the administration.

5.3 Secondary preferential creditors (HMRC)

Certain claims from HMRC rank preferentially, but secondary to the employee, ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

We estimate the amount of secondary preferential claims at the date of our appointment to be £0.4 million based on Company records, however, we have not yet received a claim from HMRC.

Based on current estimates, we anticipate that secondary preferential creditors should receive a dividend of 100p in the £. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

5.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend by virtue of the prescribed part only. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

6.2 Discharge from liability

We propose to seek approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the Court in order to obtain discharge from liability.

7 Approval of proposals

7.1 Deemed approval of proposals

The Administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the prescribed part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

7.2 Creditors' right to request a decision

We will use a decision-making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form which can be found on <https://www.ia-insolv.com/case+INTERPATH+AN227F4528.html> (the 'Portal').

8 Joint Administrators' remuneration, expenses and pre-administration costs

8.1 Approval of the basis of remuneration and expenses

We propose to seek approval from the secured and preferential creditors that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5; and

All unpaid pre-administration costs as set out in section 7.2 will be an expense of the administration.

Agreement to the basis of our remuneration and the drawing of Category 2 expenses is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the Court in order to seek approval for the basis of remuneration and the drawing of Category 2 expenses.

From the date of our appointment to 10 April 2023, we have incurred time costs of £349,120. These represent 754 hours at an average rate of £463 per hour.

We have incurred expenses of £36 during the period. None of these have yet been paid.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 10 April 2023. We have also attached our charging and expenses recovery policy.

8.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3.4:

Interpath fees (see below)	53,333.33	101,239.42	154,572.75
Interpath expenses	0.00	28.21	28.21
Legal fees (Irwin Mitchell)	0.00	26,334.50	26,334.50
Legal expenses (Irwin Mitchell)	0.00	61.00	61.00
Total	53,333.33	127,663.13	180,996.46

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

As mentioned earlier in this report, we were engaged by Bromford Group Limited on 27 January 2023. Prior to our appointment we were paid a total of £160,000 by Bromford Group Limited, which included pre-administration work undertaken by us in respect of the Company and Bromford Industries. £53,333 has been allocated to Accrofab.

9 Summary of proposals

Whilst we are working to sell the business as a going concern, at the date of this report we have not received any offers to sell the Company on a solvent basis and as such a rescue of the Company as a going concern in accordance Paragraph 3(1)(a) is not considered achievable.

Therefore, our primary objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;

to investigate and, if appropriate, to pursue any claims the Company may have; and

to seek an extension to the administration period if we consider it necessary.

to make distributions to the secured and preferential creditors where funds allow; and

to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;

formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;

place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Ryan Grant and Chris Pole, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;

petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Ryan Grant and Chris Pole, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together; and

file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

We propose that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5;

All unpaid pre-administration costs as set out in section 7.2 will be an expense of the administration.

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company and Trading name	Accrofab Limited
Date of incorporation	23 June 1977
Company registration number	01318724
Trading address	Unit 11 Station Road, Spondon, Derby, DE21 7RX
Previous registered office	129 Scudamore Road, Leicester, LE3 1UQ
Present registered office	Interpath Ltd, 2 nd Floor, 45 Church Street, Birmingham, B3 2RT
Company Directors	Kevin Michael Vicha Edward Julian Ashworth Nicholas Jonathan Godfrey
Company Secretary	n/a
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts in Birmingham, CR-2023-BHM-000113
Appointor	Directors
Date of appointment	9 March 2023
Joint Administrators	Ryan Grant and Chris Pole
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	8 March 2024
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5).
Estimated values of the Net Property and Prescribed Part	The net property and prescribed part are currently uncertain and will be determined by the outcome of the sale of business process which remains commercially sensitive. We will provide an update to creditors in our next progress report however, we note the prescribed part will be capped at a maximum of £600,000 based on net property of approximately £3 million.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Application of EU Regulations	EU Regulations apply and these proceedings will be the Proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply as defined in Article 3 of the EU Regulations.

Appendix 2

Joint Administrators' receipts and payments account

Accrofab Limited - in Administration		
Trading accounts		
Statement of Affairs (£)	From 09/03/2023 To 10/04/2023 (£)	From 09/03/2023 To 10/04/2023 (£)
POST-APPOINTMENT SALES		
Sales - Rolls Royce	80,027.76	80,027.76
Sales - Incora	52,573.39	52,573.39
Sales - Other	518.05	518.05
Contribution to Costs of Trading Period	1,244,000.00	1,244,000.00
	1,377,119.20	1,377,119.20
PURCHASES		
Raw Material Purchases- Other	(5,717.56)	(5,717.56)
Direct Subcontract Costs- Rolls Royce	(4,081.56)	(4,081.56)
Direct Subcontract Costs- Other	(980.00)	(980.00)
Purchases - Proforma invoice	(3,306.89)	(3,306.89)
	(14,086.01)	(14,086.01)
OTHER DIRECT COSTS		
Direct labour	(249,419.65)	(249,419.65)
Payroll costs	(349.75)	(349.75)
Consumable stores	(137.20)	(137.20)
Accreditation & certification costs	(3,473.24)	(3,473.24)
	(253,379.84)	(253,379.84)
TRADING EXPENSES		
Repairs and maintenance	(902.75)	(902.75)
Employee Sundry expenses	(170.08)	(170.08)
	(1,072.83)	(1,072.83)
Trading surplus/(deficit)	1,108,580.52	1,108,580.52

Accrofab Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 09/03/2023 To 10/04/2023 (£)	From 09/03/2023 To 10/04/2023 (£)
ASSET REALISATIONS		
800,000.00 Plant & machinery	NIL	NIL
1,344,144.00 Stock	NIL	NIL
1,970,585.00 Book debts	368,726.57	368,726.57
512,976.00 Cash at bank	NIL	NIL
Intercompany debtors (SoFA Nil)	NIL	NIL
	368,726.57	368,726.57
OTHER REALISATIONS		
Prepayments and other debtors (SoFA Nil)	NIL	NIL
Trading surplus/(deficit)	1,108,580.52	1,108,580.52
	1,108,580.52	1,108,580.52
PREFERENTIAL CREDITORS		
(312,056.00) Secondary preferential creditors (HMRC)	NIL	NIL
(94,029.00) Ordinary preferential creditors	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITORS		

Accrofab Limited - in Administration
Abstract of receipts & payments

Statement of affairs (£)		From 09/03/2023 To 10/04/2023 (£)	From 09/03/2023 To 10/04/2023 (£)
(38,286,260.00)	Floating charge	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,767,315.00)	Trade & expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,665.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(35,842,620.00)		1,477,307.09	1,477,307.09
	REPRESENTED BY		
	Floating ch. VAT rec'able		2,392.21
	Floating charge current		1,737,088.86
	Floating ch. VAT payable		(267,173.98)
	Petty Cash		5,000.00
			1,477,307.09

Appendix 3

Joint Administrators' fees estimate

Statutory and compliance	1	42,652.50	88.50	481.95
Cashiering	2	15,560.00	50.00	311.20
Tax	3	59,777.50	121.50	492.00
General	4	22,562.50	55.50	406.53
Administration & Planning		140,552.50	315.50	445.49
Trading	5	551,690.00	1,256.00	439.24
Asset realisation	6	97,475.50	171.35	568.87
Employees	7	13,355.00	32.50	410.92
Creditors and claims	8	74,373.75	162.75	456.98
Creditors		87,728.75	195.25	449.31
Directors	9	16,275.00	41.00	396.95
Investigations	10	10,540.00	37.00	284.86
Investigations		26,815.00	78.00	343.78
Total		904,261.75	2,016.10	448.52

Whilst specific notes have been provided below to give more context around the fee estimate, these should be read in conjunction with this report as a whole. Below is further detail of the work to be undertaken for this engagement:

Note 1 – Statutory and compliance

Statutory and compliance matters include dealing with appointment related formalities, reporting to the secured creditors, regularly reviewing the administration strategy, ensuring it remains appropriate. This will also include closure related formalities at the relevant time.

Note 2 – Cashiering

Cashiering time will be spent closing the pre-administration bank accounts, opening and operating the administration bank account, performing bank reconciliations, and processing payments and receipts especially from the trading period undertaken post appointment.

Note 3 – Tax

This work involves undertaking a review of the Company's pre-appointment tax affairs, submitting VAT and Corporation Tax returns during the administration. Prior to the closure of the administration, the Company will need to be deregistered for VAT and clearance will be required from the HMRC VAT and Corporation Tax departments before the case can be closed.

Note 4 - General

Time spent here will include arranging for the removal of physical and digital Company books and records required by the Administrators and liaising with our agents for storage. Additionally, this will also include time to manage the administration strategy, performing weekly WIP reviews against budget, obtaining approval for the basis of the Joint Administrators' fees and drawing any subsequent fees.

Note 5 - Trading

This relates to time spent dealing with trading related matters during the period in which the Company continues to trade post-appointment. This includes:

- preparing cash flow forecasts to monitor the cash position;
- agreeing customer supplier trading terms, attending to supplier and customer queries and correspondence;
- monitoring progress against production schedules and liaising with customers;
- raising, approving and monitoring purchase orders and setting up control systems;
- negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support;
- dealing with issues in relation to stock and other assets relating to trading;
- communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions or additional trading support;
- dealing with hauliers to ensure ongoing services;
- reconciling the final trading position and providing updates to the key customers on the trading agreement reconciliation.

Note 6 – Asset Realisations

The majority of our time will be spent dealing with the following:

- Sale of business – Implementing a sale of business process in the initial weeks of the administration and progressing this process with interested parties;
- Debtors – liaising with the Company's debtors to secure the payment of outstanding book debts for the benefit of creditors.

Note 7 - Employees

The Company employed 107 staff at the time of appointment, time will therefore be required to respond to employee queries regarding the administration and their employment, including holding employee briefing meetings. Time will also be required to administer the Company's payroll and to deal with any redundancy related matters.

Note 8 - Creditors and Claims

This time will be spent liaising with creditors regarding correspondence received, completing statutory reporting obligations to creditors, reporting to the secured creditor and, where appropriate, adjudicating claims and making distributions to creditors.

Note 9 - Directors

This includes time required to oversee the directors' completion of the Statement of Affairs of the Company, as well as time to review directors' questionnaires and consider the directors' conduct prior to the administration.

Note 10 – Investigations

As part of our statutory obligations, we are required to formally investigate the affairs of the Company and the conduct of the directors prior to our appointment and submit our findings to the Secretary of State. We will also be investigating any transactions or disposals made in the lead up to our appointment to ascertain if there are any additional recoveries for the administration estate.

Appendix 4 Joint Administrators' expenses estimate

Trading costs		
Salaries	1	1,242,902
Material purchases	2	764,269
Subcontractors	3	82,494
Other manufacturing costs	4	99,148
Tooling / repairs	5	26,932
Freight	6	6,746
Office costs	7	128,596
Utilities	8	118,316
Insurance	9	4,055
Rent	10	58,286
Rates	11	20,015
Contingency	12	102,500
Bank charges	13	500
Group recharges	14	65,000
Legal fees	15	15,000
Total trading costs		2,734,759
Non-trading costs		
Insurance	9	15,000
Storage / Books and records	16	3,000
Contingency	12	75,000
Statutory advertising	17	750
Legal fees	15	86,396
Agents	18	10,000
Total non-trading costs		190,146
Total estimated expenses		2,924,904

Below is detail of the expenses anticipated for the duration of this engagement and should be read in conjunction with the Administrators' proposals as a whole.

Note 1 – Wages and salaries

The cost of the employee wages and salaries incurred in order to trade the business. This includes PAYE, NIC and other benefits in accordance with their contracts.

Note 2 – Materials purchases

This includes the cost of raw materials such as steel purchased throughout the trading period.

Note 3 – Direct subcontract costs

These relate to third party subcontractor costs incurred in producing finished goods.

Note 4 – Other manufacturing costs

Indirect costs of manufacturing (excluding salaries) such as consumables, service & repair, packaging and quality processes.

Note 5 – Tooling and repairs

Costs of maintaining and replacing tooling used in the manufacturing process.

Note 6 – Freight

Costs of shipping finished goods to customers, transport WIP to subcontract processors.

Note 7 – Office costs

Central overheads required to support the trade of the business, including IT and systems costs.

Note 8 – Utilities

Costs in respect of electricity and gas consumed in trading the business.

Note 9 – Insurance

The costs require to maintain insurance cover over the assets and operations of the Company.

Note 10 – Rent

Rent payable to the landlord of the Company's leasehold property.

Note 11 – Rates

Business rates payable to the local authority.

Note 12 – Contingency

An allowance for costs incurred in trading the business not captured in the Company's forecasts.

Note 13 – Bank charges

Bank charges incurred in making payments to suppliers of the Company.

Note 14 – Group recharges

Certain salary, insurance and systems costs are paid by the former US parent companies. Certain of these costs will be recharges to the Company in line with usage.

Note 15 – Legal fees

Legal fees that are expected to be incurred for preparing trading agreements, providing advice regarding the validity of our appointment and other general advice pertaining to the administration.

Note 16 - Storage / books and records

This includes the cost of storing the books and records of the Company throughout the period of our administration.

Note 17 – Statutory advertising

Costs incurred relating to the statutory advertising obligations of the Joint Administrators.

Note 18 – Agents fees and expenses

This includes an estimate of the Agents costs in providing valuation advice and assisting with the sale process of the Company.

Appendix 5 Joint Administrators' charging and expenses policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact bromfordandaccrofab@interpathadvisory.com.

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Managing Director	780
Director	725
Associate Director	635
Manager	530
Senior Associate	370
Associate	265
Support	165

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of managing director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following submitted expenses during the period 9 March 2023 to 10 April 2023.

Mileage	NIL	6.08	6.08
Meals	29.95	NIL	29.95
Total	29.95	6.08	36.03

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses are to be approved in the same manner as our remuneration.

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; issuing regular press releases and posting information on a dedicated web page; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; allocating and managing staff/case resourcing and budgeting exercises and reviews; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing the payment of post-appointment invoices; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reviewing and processing employee expense requests; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;
Trading	preparing cash flow statements to monitor the cash position; attending to supplier and customer queries and correspondence; raising, approving and monitoring purchase orders and setting up control systems for trading; negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; securing petty cash on site and monitoring spend; dealing with issues in relation to stock and other assets required for trading; communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions; ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; liaising with agents regarding the valuation of assets; reviewing outstanding debtors and management of debt collection strategy; liaising with Company credit control staff and communicating with debtors; liaising with customers regarding debtor recoveries; reviewing the inter-company debtor position between the Company and other group companies.

Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues; performing land registry searches.
Sale of business	planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; seeking legal advice regarding sale of business, including regarding non-disclosure agreements; collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; carrying out sale negotiations with interested parties.
Health and safety	liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place.
Employees	dealing with queries from employees regarding various matters relating to the administration and their employment; holding employee briefing meetings to update employees on progress in the administration and our strategy.
Pensions	collating information and reviewing the Company's pension schemes; calculating employee pension contributions and review of pre-appointment unpaid contributions; ensuring compliance with our duties to issue statutory notices; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	drafting and circulating our proposals; creating and updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.
Investigations/ Directors	reviewing Company and directorship searches and advising the directors of the effect of the administration; liaising with management to produce the Statement of Affairs.

Appointment documents	2.00	4.50			6.50	3,945.00	606.92
Preparation for appointment including preparing trading agreements	50.00	78.00	25.93		153.93	77,835.54	505.65
Advising directors	6.00	18.18	16.00		40.18	19,458.88	484.29
Total	58.00	100.68	41.93	0.00	200.61	101,239.42	532.29

SIP 9 –Time costs analysis (09/03/2023 to 10/04/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Trading			
Cashiering			
General (Cashiering)	13.60	5,522.50	406.07
Employees			
Correspondence	40.25	16,501.25	409.97
Realisation of assets			
Health & safety	2.00	1,270.00	635.00
Tax			
Initial reviews - CT and VAT	0.50	317.50	635.00
Post appointment VAT	2.70	1,939.50	718.33
Trading			
Cash & profit projections & strategy	4.80	3,454.00	719.58
Employee Matters / PAYE	6.20	2,744.50	442.66
Negotiations with customers	125.05	61,426.25	491.21
Negotiations with suppliers / landlords	174.90	58,858.50	336.53
Purchases and trading costs	28.60	12,343.00	431.57
Sales	12.30	7,960.00	647.15
Trading Management	28.90	13,117.00	453.88
Administration & planning			
General			
Fees and WIP	2.00	1,315.00	657.50
Statutory and compliance			
Appointment and related formalities	63.70	29,638.50	465.28
Bonding & Cover Schedule	0.60	222.00	370.00
Checklist & reviews	5.50	3,492.50	635.00
Statutory advertising	0.40	254.00	635.00
Strategy documents	24.00	14,357.00	598.21
Creditors			
Creditors and claims			
General correspondence	0.75	498.75	665.00
Notification of appointment	1.70	629.00	370.00
ROT Claims	0.75	198.75	265.00
Secured creditors	5.40	3,989.50	738.80
Statutory reports	25.65	10,705.25	417.36
Investigation			
Directors			

SIP 9 –Time costs analysis (09/03/2023 to 10/04/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Statement of affairs	2.65	1,682.75	635.00
Realisation of assets			
Asset Realisation			
Debtors	13.65	7,068.25	517.82
Insurance	3.70	2,349.50	635.00
Leasehold property	0.40	254.00	635.00
Plant and machinery	1.50	952.50	635.00
Sale of business	161.80	85,932.00	531.10
Vehicles	0.20	127.00	635.00
Total in period	754.15	349,120.25	462.93
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	754.15	349,120.25	
Carry forward time (appointment date to SIP 9 period end date)	754.15	349,120.25	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

The Statement of Affairs was provided by Kevin Michael Vicha, director of the Company.

We have not carried out anything in the nature of an audit on the information provided.
The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company Accrofab Limited	Company number 01318724
In the High Court of Justice Business and Property Courts in Birmingham <small>(full name of court)</small>	Court case number CR-2023-BHM-000113

Statement as to the affairs of (a)

Accrofab Limited, c/o Interpath Limited, 2nd Floor, 45 Church Street, Birmingham, B3 2RT

(a) Insert name and address of registered office of the company


on the (b) 9 March 2023 the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 9 March 2023, the date that the company entered administration.

Full name Kevin Michael Vicha

Signed 

Dated 14 April 2023

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
N/A - no encumbered assets		
Total assets subject to fixed charge	0	0
Less: Amount(s) due to fixed charge holder(s)		
Shortfall/surplus to fixed charge holder(s) c/d	0	0
Assets subject to floating charge:		
Cash & Cash Equivalents	512,976	512,976
Accounts Receivable, Net	2,437,380	1,970,585
Intercompany		
Bromford Industries Limited	18,193,000	0
Aerocision	446,000	0
Prepaid Expenses	34,980	0
Inventories, Net of provisions	1,792,192	1,344,144
Machinery & Equipment	1,050,258 }	800,000
Computer Software	36,713 }	
Leasehold Improvements	14,413 }	
Computer Hardware	11,134 }	
Tools, Dies & Fixtures	12,861 }	
Office Equipment	71,949 }	
Transportation Equipment	2,009 }	
Capitalised development costs	74,327	0
Total assets subject to floating charge	24,690,191	4,627,705
Uncharged assets:		
N/A - no uncharged assets		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		4,627,705

Signature 

Date April 14, 2023

A1 - Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		4,627,705
Liabilities		
Ordinary preferential creditors:		0
Ordinary preferential (employee) creditors (No.)		(94,029)
Other preferential creditors		0
		(94,029)
Estimated total assets available for secondary preferential creditors		4,533,676
Secondary preferential creditors (HMRC)		
VAT	(126,439)	
PAYE	(139,810)	
Employees NI	(45,807)	
Secondary preferential creditors (HMRC)		(312,056)
Estimated deficiency/surplus as regards preferential creditors		4,221,620
Less uncharged assets		0
Net property		4,221,620
Estimated prescribed part of net property where applicable (to carry forward)		(800,000)
Estimated total assets available for floating charge holders		3,421,620
Debts secured by floating charges		(38,286,260)
Estimated deficiency/surplus of assets after floating charges		(34,864,640)
Estimated prescribed part of net property where applicable (brought down)		800,000
Uncharged assets		0
Total assets available to unsecured creditors		800,000
Unsecured (trade) (non-preferential) creditors		(1,759,833)
Unsecured (employee) creditors (No. 111)		(7,482)
Unsecured (pre-paid consumer) creditors (No. 0)		0
Estimated deficiency/surplus as regards unsecured creditors		(967,315)
Shortfall to fixed charge holders (brought down)		0
Shortfall to preferential creditors (brought down)		0
Shortfall to floating charge holders (brought down)		(34,864,640)
Estimated deficiency/surplus as regards creditors		(35,831,955)
Issued and called up capital		(10,665)
Estimated total deficiency/surplus as regards members		(35,842,621)

Signature 

Date April 14, 2023

COMPANY TRADE CREDITORS

NOTE: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT column below.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/ Conditional Sale	Claiming ROT
Abbey Forged Products	Beesley Wood Works, Beesley Wood Lane, Sheffield S6 1ND GB	(7,882)					
Acorn Occupational Health Ltd	Dane Mill Business Centre Broadhurst Lane Congleton Cheshire CW12 1LA GB	(360)					
Action Finishing Ltd	213 Torrington Avenue Coventry CV4 9HN GB	(696)					Yes
Advanced Logistics For Aerospace UK Ltd	1 Lyon Road, Walton On Thames Surrey KT12 3PU GB	(299)					
Aerotech Laboratories Limited	Unit 20 Mercia Business Village Westwood Business Park Coventry CV4 8HX GB	(131)					
Agilico Work Tech	28-34 Hinchley Road Leicester LE3 0RA GB	(962)					
Alwidge Ltd	Unit 1 & 2 Belfield Street Ilkeston Derbyshire DE7 8DU GB	(2,359)					
Ampt Services Limited	25 Merfin Court Lancaster Way Ely Cambs CB6 3GN GB	(3,121)					
Ashmores Press Brake Tooling Ltd	Lewis Street Great Bridge Tipton West Midlands DY4 7EF GB	(264)					
Ashton & Moore Limited	12 Smith Street Hockley Birmingham B19 3EX GB	(3,185)					
Boc Limited	Customer Service Dept P O Box 12 Priestley Road Worsley Manchester M28 2JT GB	(4,165)					
Bowers Group	Unit 3 Albany Court Albany Park Camberley Surrey GU16 7QR GB	(445)					
Broadway (Bristol) Engineering Co Ltd	8-12 Knappes Lane St George Bristol BS5 7UH GB	(600)					
Bromford Leicester	129 Scudamore Road Leicester Leicestershire LE3 1UQ GB	(6,767)					
Bundl	Unit P Heron Drive Langley Berkshire SL3 8XP GB	(531)					
CAMARC WELDING EQUIPMENT	Old Station Close Coalville Leicestershire LE67 3FH GB	(147)					
Cbs Engineering & Heat Treatment Ltd	Action Grove Long Eaton Nottingham NG10 1PY GB	(267)					
Cerabit Winc Limited	Sheffield Airport Bus Park Europa Link Sheffield S9 1XU GB	(222)					
Cherndon Speciality Fasteners	Newtown Grange Business Park Detsford Road Newtown Unthbank Leicestershire LE9 9FL GB	(62,489)					
COLEBREAM ESTATES LTD	95 JERMYN STREET LONDON SW1V 6LE GB	(69,000)					
Control Point	6 Lawson Close Aldridge West Midlands WS9 0RX GB	(252)					
HSBC Credit Card Purchases	Hobbs Bank plc, Card services, Customer Services Centre, B88 7HB	(4,776)					
Cromwell Tool Group	Group Accounts P O Box 14 65 Charnwell Drive Wigton LE18 1AT GB	(4,145)					
Davenport Paper Co Ltd	Charlton House Riverside Park East Service Road Raynesway Derby DE21 7BF GB	(2,223)					
Dhl International UK Ltd	Po Box 524 178-188 Great South West Road Roundew Middlesex TW9 9LP GB	(51)					
Dunlop Playwood	Growthrone House, Nine mile ride, Wokingham, Berkshire, RG40 3GZ	(1,222)					
DuPont Speciality Products Operations Sarl	2 chemin du Pavillon, P.O. Box 50 CH 1218 Le Grand-Saconnex GENEVA SWITZERLAND GB	(1)					

COMPANY TRADE CREDITORS

NOTE: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT column below.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/ Conditional Sale	Claiming ROT
E M Inspection Co Ltd	11 - 13 Victoria Street Wigston Magna, Leicester LE18 1AJ GB	(11.7)					
East Midlands Chamber (Derby, Notts, Leicester)	Commerce House Millennium Way, Dunston Road, Chesterfield S41 8ND GB	(828)					
East Midlands Saw & Tool Co	Rutland Mill Chapel Street Long Eaton Nottingham NG10 1EQ GB	(3,065)					
Edward Pryor & Son Ltd	Egerton Street Sheffield S1 4UX GB	(1,942)					
Energias Ltd	Westminsterland Street Hull HU2 0RH GB	(4,389)					
Engineering & Welding Suppliers (Eng. Weld)	Derby Branch, Hadams Lane Alfreton Road Derby DE22 1ER GB	(1,069)					
Excel (UK) Ltd	Park Road Halesowen West Midlands B63 2HH GB	(295)					
Excel Office Equipment Ltd	17 Beaconsfield Street Long Eaton Nottingham NG10 1AY GB	(357)					
Farsonair Aviation Ltd	Ashton Gate, Ashton Road, Romford Essex RM3 8UF GB	(5,547)					
FCH Aero Ltd	Unit 2, Westside Park, Selmore Derby DE21 7AZ Income: EXW - FCH Aero DE21 7AZ GB	(8,904)					
Fedex Express UK	Sutherland House Matlock Road Foleshill Coventry CV4 4JQ GB	(1,284)					
Fedex Express UK	51 Lime Street London EC3M 7DQ GB	(1,284)					
Fedex Express UK Transportation Ltd	Po Box 186 Ramsbottom Bury BL0 9GR GB	(1,338)					
G & J Stainless Limited	3-4 Park House Lane Tinsley Sheffield S9 3XA GB	(8,536)					
GF Machine Solutions Ltd	Accounts Dept North View Coventry West Midlands CV2 2SL GB	(250)					
Gould Alloys Ltd	Makham Lane Makham Vale Chesterfield Derbyshire S44 5HS GB	(6,122)					
Haynes International Ltd	Parkhouse Street Openshaw Manchester M11 2ER GB	(144,964)					
Hempel Special Metals Limited	Unit 403/404 Breton Park Ind. Est. Dewsbury WF12 9BS GB	(3,924)					
Hempel Special Metals Limited (S A/C)	Unit 403/404 Breton Park Ind. Est. Dewsbury WF12 9BS GB	(25,500)					
HMRC (Corporation tax)	PT Operations North East England H M Revenue and Customs BX9 1BX	(681,940)					
HMRC (Employer's NI)	Corporation Tax Services, HM Revenue and Customs BX9 1BX	(84,124)					
Hoffmann UK Quality Tools Ltd	Gee Business Centre Holborn Hill Birmingham B7 5JR GB	(1,954)					
H-SBC	H&B Bank Plc Central Charges Third Floor 62-76 Park Street London SE1 9DZ GB	(504)					
Icon Aerospace Technology Ltd	Thrumpton Lane Retford Nottinghamshire DN22 6HH GB	(12,454)					Yes
Incora Ltd	Emma Pope, 50 Longbridge Lane, Derby DE24 8JU	(2,039)					
Indusore Limited	Unit C5, Octimum, Kingsway Business Park, Woking Surrey GU21 5SF GB	(83,768)					
Intertek Ltd (Mkt Services Ltd)	Automated Storage Systems 1 Tollgate Close Penarth Road Cardiff CF11 8UE GB	(1,653)					
Intertek Ltd Met. Lab.	10A Victory Park Victory Road Derby DE24 8PF GB	(2,565)					
Is Cabletec	Unit 5 Victory House, 95, Victory Road, Derby D124 8EL GB	(96)					
Jacksons Workwear Rental Ltd	2 Lydbard Fields Swindon Wiltshire SN5 8UB GB	(8,764)					
K B Packaging Limited	Head Office Wier Street Lincoln LN5 8DT GB	(1,110)					
Ltd (UK) Limited	Merlin Way Quarry Hill Industrial Estate Ilkeston Derbyshire DE7 4BA GB	(247)					
Malthouse Engineering	Unit 3 Wildmores Road Banbury Oxfordshire OX16 3JU GB	(1,888)					
	3 Halinge Road Twidale Tivale West Midlands B69 2NL GB	(217)					
Matrix Tooling Services Ltd	Acot House Lenton Street Sandlere Nottingham NG10 5DJ GB	(23,504)					

COMPANY TRADE CREDITORS

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Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/ Conditional Sale	Claiming ROT
Medley Precision Engineers Ltd	Cannon House 20 Hamilton Way, Oakham Business Park, Mansfield GB	(4,262)					
Metal Fabrication Supplies Ltd	Sidley Robinson Business Park Ascot Drive Derby DE24 8EH GB	(4,850)					
Metal Process Services Limited	Wharf Road Industrial Estate Pinxton Nottingham NG16 6LE GB	(4,898)					
Mps Networks Plc	Shaw House Wychebury Court Brinkley Hill West Midlands DY5 1TA GB	(143)					
Msc Industrial Supply Co	7 Pacific Avenue Wednesbury West Midlands WS10 7WY GB	(929)					
Nikken Kosakusho Europe Ltd	Precision House Babot Hall Industrial Estate Rotherham South Yorkshire S61 4RL GB	(1,919)					
NWB Minebea UK Ltd	Doddington Road Lincoln LN6 3JA GB	(5,849)					
Parmalee Ltd	Middlemore Lane West Aldridge Walsall West Midlands WS9 8DZ GB	(259)					
Peak Waste Recycling Limited	Unit 21, Eagle Park, Haslams Lane Derby DE21 4TS GB	(2,934)					
Plant Software Ltd	Wood Lane, Knowton, Ashbourne, Derbyshire DE6 1JF GB	(422)					
PLASNET LIMITED	1370 Montpelier Court Gloucester Business Park Gloucester GL3 4A+ GB	(4,919)					
Precision Lapping Ltd	Unit 5 Slack Lane Heaton Gate Industrial Park Heaton Derbyshire DE25 7GX GB	(442)					
Pw Resistance Welding Products Ltd	16 Marino Way, Off Ivanhoe Road, Hogwood Lane Ind Estate, Finchampstead, Berkshire GB	(9,742)					
Quasartronics Ltd	Unit 10 Bicester Park Chabridge Way Bicester OX26 4SS GB	(234)					
Rotech Laboratories Ltd	2-5 Watt House Innovation Centre Persnett Estate Kingswinford West Midlands DY6 7YD GB	(145)					
Rs Components UK	Moxley Industrial Centre Western Way Wednesbury West Midlands WS10 7BG GB	(144)					
Secur-it Group Ltd	Po Box 888 Corby Northampton NN17 5UB GB	(869)					
SEFENS FINANCE SERVICES	Sulica 3, Enterprise Court Oakham Business Park, Marfield Nottinghamshire NG18 5BU GB	(438)					
Sil-Mid Ltd	SEFTON PARK BELLS STOKE POGES BUCCS SL2 4US GB	(927)					
Smart Print And Labelling Limited	2 Roman Park Roman Way Colehill West Midlands B46 1HG GB	(1,288)					
Smartest Energy Ltd	362 Redwither Tower Redwither Business Park Wrexham Industrial Estate Wrexham L113 9XT GB	(299)					
Softcat Plc	Dashwood House 69 Old Broad Street London EC2M 1QS GB	(87,223)					
SSE	Thames Industrial Estate Marlow Buckinghamshire SL7 1LW GB	(887)					
Stainless Plating Limited	Po Box 3158 Cardiff CF30 0EY GB	(812)					
Star Micronics GB Ltd	24 Den Road Sheffield S9 2UB GB	(1,561)					
Stock & Metal Limited	Unit 1, Riverlands Business Park, Raynesway, Derby DE21 7EZ GB	(75)					
	Unit 2, Peter Baines Industrial Park, Woods Lane, Derby DE22 3UD GB	(773)					

COMPANY TRADE CREDITORS

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Name of creditor or Claimant	Address (with postcode)	Amount of debt: £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/ Conditional Sale	Claiming RCT
Sussex Tools Limited	203 Tarring Road, Worthing, West Sussex BN11 4HN GB	(57)					
Swiftford Precision Engineering Limited	Swiftford House, Brookside Way, Muthwaite, Nottinghamshire NG17 2NL GB	(6,326)				Lease	
Terry Millboard Engineering	235 Duffield Road, Derby DE22 1BL GB	(3,415)					
Thos.C. Wild Ltd	Vulcan Works, Tinsley Park Road, Sheffield S9 5DP GB	(3,322)					
ThyssenKrupp Aerospace UK	Business Area Material Service Parkway Junction 3B Business Dorton, South Yorkshire S75 5SD GB	(14,677)					
ThyssenKrupp Aerospace UK Limited	Aviation House, Garlands Drive, Wymbush, Milton Keynes, Buckinghamshire MK8 8DF GB	(35,879)					
Toyota Material Handling UK	706 Stirling Road Slough Trading Estate Slough Berkshire SL1 4SY GB	(1,313)				Lease	
Trent Oil (Lubricants) Ltd	Phoenix House Kemmel Road Bulwell Nottingham NG6 9FH GB	(1,430)					
United Performance Motekal (s A/C)	Balfour Business Park 5 Berkshire Road Newarkwards BT23 7HH GB	(41,400)					
Vacuum Furnace Engineering Ltd	Unit 9 Hingley Road Hayes Industrial Estate Halegrove West Midlands B63 2RF GB	(3,863)					
Vox Group Ltd	Castle Business Park 1 Pavilion Way Loughborough Leic LE11 9SW GB	(2,368)					
Von Armin Ltd	Unit 5, Joseph Court Sovereign Business Park, Crowthill, Milton Keynes MK5 0JP GB	(1,206)					
Yorkshire Precision Gauges Ltd	Harfield Htr Doncaster Yorkshire DN7 6GF GB	(378)					
Aerocision (Inter Company)	Chester USA	(315,810)					
Citizens Commercial Banking	Commercial Lending Servicing PO Box 42004 Providence RI 02940-2004	(28,758,892)	Floating charge	5-Nov-19			
Stellus Capital Investment Corporation	4400 Post Oak Parkway Suite 2200 Houston TX 77027	(9,527,368)	Floating charge	5-Nov-19			
Grand Total		(40,046,990)					

Signature



Date April 14, 2023

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Bromford Industries Ltd	c/o Interpath Limited, 2nd Floor 45 Church Street, Birmingham B3 2RT	10,665,338	10,665	Ordinary Shares
	Total		10,665	

Signature _____ Date April 14, 2023

Appendix 7 Glossary

Bromford Industries	Bromford Industries Limited
Company/Accrofab	Accrofab Limited- in Administration
Gordon Brothers	Gordon Brothers International LLC
Irwin Mitchell	Irwin Mitchell LLP
Interpath/Interpath Advisory	Interpath Ltd
Joint Administrators/we/our/us	Ryan Grant and Chris Pole
Secured creditors	Stellus Capital Investment Corporation (‘Stellus’/’2nd lien Secured Creditor’) Citizens Bank, N.A. as Administrative and Collateral Agent and Security Trustee for the Secured Parties (‘Citizens Bank’/’1st lien Secured Creditor’)
UK Group	The Company together with; Bromford Industries Limited – in Administration (‘Bromford Industries’)

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Ryan Grant and Chris Pole, the Joint Administrators of Accrofab Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Ryan Grant and Christopher Robert Pole are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

www.interpathadvisory.com

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