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1 Company details

Company number 0 1 3 1 8 7 2 4

Company name in full AL Realisations 2023 Limited (formerly known as
Accrofab Limited)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

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

Surname Pole

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

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

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	0	d	9	m	0	m	3	y	2	y	0	y	2	y	3
To date	d	0	d	8	m	0	m	9	y	2	y	0	y	2	y	3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	0	d	6	m	1	m	0	y	2	y	0	y	2	y	3
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**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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Joint Administrators' progress report for the period 9 March 2023 to 8 September 2023

AL Realisations 2023 Limited - in
Administration (formerly known as
Accrofab Limited)

6 October 2023

Deemed delivered: 6 October 2023

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

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 progress report is attached (Appendix 8).

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1 Executive summary

The Directors resolved on 8 March 2023 to appoint us, Ryan Grant and Chris Pole, as Joint Administrators. The notice of appointment was lodged at High Court of Justice, Business and Property Courts in Birmingham on 9 March 2023 and we were duly appointed.

This progress report covers the period from the date of our appointment (9 March 2023) to 8 September 2023.

We delivered our statement of proposals ('Proposals') to all known creditors on 21 April 2023. They were deemed approved without modification on 4 May 2023.

Prior to our appointment, we entered into trading agreements for an initial 13-week period with the Company's key customer ('Trading Agreement Customer'), which provided financial support and enabled us to continue to trade profitably whilst we undertook an extensive sale of business process immediately following our appointment.

Under the sale of business process, we set an initial bid deadline of 26 April 2023 and a final offer deadline of 17 May 2023 and concluded that an offer for the Company and the Alcester business of Bromford Industries Limited ('Bromford') (a sister company of the Company also in administration, with us in office as Joint Administrators) would maximise returns to the Company's creditors. As a consequence of separating the Leicester and Alcester businesses of Bromford, it was necessary to complete an IT separation prior to facilitate completion and as a result we agreed an extension to the trading period with the Trading Agreement Customer to 28 July 2023.

We completed a sale of the business and assets of the Company for £3.4 million on 31 July 2023 to Endless Newco 17 Limited, now known as Accrofab Derby Limited ('Accrofab Derby'). Accrofab Derby is owned by the Enact Fund, managed by private equity firm, Endless LLP.

Our ongoing strategy for the administration is to realise the remaining assets and conclude matters from the trading period (Section 2 – Progress to date). This includes the following key matters:

Settling the trading account, which involves collecting amounts owed by customers for trading sales and paying outstanding costs of the trading period. Once this is completed, we will carry out a reconciliation exercise with the Trading Agreement Customer to finalise the trading outcome. A guaranteed total trading profit of £15,000 per week will be achieved, resulting in a combined expected trading profit of approximately £0.3 million for the benefit of the Administration estate.

To date, we have collected book debts totalling £2.2 million from a total ledger of £2.3 million. We continue to collect the remaining book debts and will provide an update to creditors in our next report on these collections.

Other remaining assets left to realise include collecting any deferred consideration due under the sale of business agreements and assessing if any sums are due in respect of intercompany balances.

The Company has two secured creditors, namely Citizens Bank N.A. ('Citizens Bank') and Stellus Capital Investment Corporation ('Stellus') who on appointment were owed approximately £26.0 million and £8.3 million respectively (before accrued interest and charges). To date, we have made an interim distribution to the priority creditor, Citizens

Bank, of £4.0 million with a further distribution anticipated, however Citizens Bank will suffer a shortfall against their indebtedness. No distributions will be made to Stellus (Section 3 Dividend prospects).

We anticipate that ordinary and secondary preferential creditors will be paid in full (Section 3 Dividend prospects).

Based on current estimates, we anticipate that unsecured creditors will receive a dividend. Any return will be limited to the Prescribed Part and dependent on the finalisation of the costs of the estate (Section 3 - Dividend prospects and dividends paid).

As set out in Section 5.3, it is unlikely that we will be able to conclude the remaining matters and distribute available funds to creditors prior to the expiry of the administration on 8 March 2024. Accordingly, we propose to seek approval for a 12-month extension to the period of the administration, most likely via consent of our approving creditor body.

Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at www.ia-insolv.com/case+INTERPATH+AN227F4528.html. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Ryan Grant
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the background information provided in our Proposals.

2.1 Strategy and progress to date

Strategy

As set out in our Proposals, the primary strategy for the administration was to continue to trade the business whilst we pursued a sale of business as a going concern. During the period, we extended the initial 13-week trading period with the support of the Trading Agreement Customer to provide additional time to conclude the sale of the business and assets of the Company. This strategy allowed us to maximise realisations for the assets of the Company, maximise book debt collections and furthermore ensure there were no job losses for the employees thereby mitigating any employee claims.

Our Proposals detail the full implemented administration strategy, however we have set out below an overview of the key workstreams we have undertaken since our appointment.

Following the successful sale of the business, our ongoing strategy for the administration is to finalise the trading position, collect the residual book debts, collect deferred consideration, to the extent it falls due, and realise all remaining assets of the Company. We will complete further distributions to the secured creditors, as well as making distributions to the preferential and unsecured creditors once we have agreed their claims as outlined in Section 3.

Employees

The Company employed 107 staff at the time of appointment. In addition, throughout the trading period we recruited 13 employees on a temporary or permanent basis.

Upon completion, all employees transferred to the Purchaser, with no redundancies being made during the Administration.

Trading

As outlined in our Proposals, prior to our appointment we negotiated a trading agreement with Rolls Royce ('Trading Agreement Customer'), the major customer of the Company to support the continuation of trade for an initial 13-week period. Rolls Royce provided upfront funding of £1.24 million to cover the forecast trading costs (including losses) over this trading period (shown as "contribution to costs of the trading period" in the receipts and payments account at Appendix 2) and the guaranteed a weekly trading profit of £15,000.

Furthermore, the negotiated customer agreement provided that the Trading Agreement Customer will contribute to cover the Joint Administrators' time costs associated with trading, ensuring these costs will not be borne by the creditors. This contribution will be

confirmed at the end of the trading period upon full reconciliation of the respective trading accounts, but we estimate the fee contribution from the Trading Agreement Customer is expected to be in the region £0.7 million.

We subsequently extended the trading period through to 28 July 2023 with the agreement of Rolls Royce and received additional top up funding of £0.26 million. This strategy was pursued to support the sale of business timeline (further details below).

Once we have finalised the collection of all trading sales and payment to all suppliers, we will complete a reconciliation with the Trading Agreement Customer to ensure a total trading profit of £15,000 a week (estimated to total £315,000 for the 21-week trading period) is realised. We continue work to finalise the trading accounts and an update will be provided to creditors in our next six-monthly progress report.

Sale of business

As set out above, we utilised the trading platform to immediately commence a marketing process for the business and assets as a going concern. The Company was marketed together with both the Leicester and Alcester businesses of Bromford Industries Limited, a sister company of the Company, also in administration, with us in office as Joint Administrators ('Bromford').

We approached over 200 trade and financial investors and an indicative offer deadline was set for 26 April 2023, followed by a final bid deadline on 17 May 2023.

Upon this deadline, we received a total of eight offers for the Company.

An offer for the Company along with both the Leicester and Alcester businesses of Bromford was deemed to represent the best value for creditors as a whole and therefore we progressed this preferred bid.

Following a period of due diligence carried out by the preferred bidder, their offer was materially reduced on 13 June 2023 such that it no longer delivered the best outcome for creditors. We subsequently agreed an extension to the initial 13-week trading period with the Trading Agreement Customer to 30 June 2023, thereby allowing us additional time to explore options to sell the businesses.

We reverted to the interested parties who had submitted offers at the 17 May deadline and reconfirmed these offers. We concluded that a transaction for the Company and Bromford Alcester represented maximum value for creditors as a whole. A separate transaction was identified for the Bromford Leicester business. These proposed transactions were approved by the Company's secured creditors.

The UK Group (comprising the Company and Bromford) operated using the same IT infrastructure. Due to the proposed transactions requiring a separation of the two Bromford businesses, it was essential to complete an IT separation and migration workstream to ensure the respective businesses could be fully separated ahead of completing the sale transactions. To accommodate the time scale required to facilitate this complex IT separation exercise and complete the proposed transactions, it was agreed with the Trading Agreement Customer to further extend the trading platform to 28 July 2023.

To assist us in assessing the offers received for the businesses, we formally engaged Gordon Brothers Group ('Gordon Brothers'), a firm of independent agents and valuers, to complete a valuation of the Company's plant and machinery. The offer received for the Company's plant and machinery exceeded the Gordon Brothers in-situ valuation.

We completed a sale of the business and assets of the Company for £3.4 million on 31 July 2023 to Endless Newco 17 Limited, now known as Accrofab (Derby) Limited ('Accrofab Derby'). Accrofab Derby is owned by the Enact Fund, managed by private equity firm Endless LLP.

A breakdown of the sale consideration is included in the Asset Realisation section below (section 2.2).

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Please note that we have shown the position in GBP (£) and US dollars (\$) to avoid any inaccurate currency gains or losses on the artificial conversion of the trading position to £s. A currency account has been maintained for ease of receipt of funds and payment of liabilities in USD where applicable.

A true up reconciliation is in progress with the Trading Agreement Customer. Following finalisation of the trading position, the amount held in the currency account will be transferred into the GBP account, which will then be reported solely in GBP for future periods. It is anticipated that this will be completed before the next report is issued to creditors, which is within six months' time.

Summaries of the most significant realisations during the period are provided below.

Trading and contribution to fees

The Company has customers located outside of the UK and as a result we have traded in both GBP and USD throughout the trading period, as reflected in our trading receipts and payments accounts.

A summary of the trading position, as at 8 September 2023, is shown below:

Sales	3,156,006	14,384
Contribution to costs from the Trading Agreement Customer	1,502,846	0
Purchases	(1,119,166)	0
Other direct costs	(1,386,631)	0
Trading expenses	(859,735)	0
Trading surplus/(Deficit)	1,293,320	14,384

As summarised in the above table, we have made total trading sales comprising £3.7 million and \$14,384, of which, we have collected £3.2 million and \$14,384 to date, as

reflected in the above table. We continue to collect the outstanding balances due from customers, which we expect to conclude prior to our next progress report.

In line with historical activity levels, there has been an element of inter-company trading between the Company and Bromford since our appointment. Sales between the two companies as well as trading costs incurred will be recharged on the same basis as would have been applied prior to the administration. We expect to complete the settlement of costs between the Company and Bromford prior to the publication of our next report to creditors.

Whilst the table above shows a significant overall trading profit as at 8 September 2023, as detailed above, we are still in the process of settling all trading accounts therefore this position will change. This position will be reconciled once all costs of the trading period have been settled, to ensure the agreed trading profit of £15,000 per week is achieved.

Furthermore, the contribution from the Trading Agreement Customer shown above includes coverage for an estimate of the Administrators' time costs relating to trading. This will ensure that all trading relating costs are borne by the customers rather than the administration estate.

Further work is required to determine and quantify these various costs and an update will be provided in our next report.

Sale of business consideration

A breakdown of the consideration received for the sale of the Company's business and assets is outlined in the table below.

AL Realisations 2023 Limited - Allocation of Consideration	
	£
the Equipment and Vehicles;	780,000
the Stock;	867,134
the Seller's Records;	1
the Contracts and the Administrators' Contracts;	1
the Intellectual Property;	1
the Data Assets;	1
the Name;	1
the Goodwill;	1,784,108
the Information Technology;	1
the Servers;	1
the benefit of any rent deposits made by or for the benefit of the Seller,	1
Total	3,431,250

In addition to the consideration received as shown above, the transaction included an element of deferred contingent consideration. Additional consideration of up to £100,000 could be due 90 days after the transaction date. A further update will be provided in the next report to creditors.

Debtors

At appointment, the Company's book debts totalled £2.4 million. During the period we have collected book debts totalling £2.2 million which is reflected in the receipts and payments at Appendix 2.

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

Cash at bank

Cash held by the Company on appointment was £507,000. The cash was swept to the administration bank account following appointment.

Bank interest

To date we have accrued interest on funds held across the bank accounts totalling £32,000.

Rent

Following the completion date, a licence to occupy agreement ('LTO') was provided to the Purchaser in respect of the Company's leasehold property. To date, we have collected licence fees from the Purchaser of £51,000 to discharge future rent costs for the property.

Investigations

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business and Trade. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Trading Costs

As mentioned in the Trading heading above, we are in the process of finalising all costs of the 21-week trading period. The costs paid to date are outlined in the receipts and payments account in Appendix 2.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

As the Company has customers located outside of the UK, we have traded in GBP and USD throughout the trading period and therefore the schedule of expenses (Appendix 3) is split by currency.

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Trading period costs

During the period we have paid a significant proportion of the costs relating to the trading period for the Company, however, we continue to settle trading accounts with suppliers. We have included an estimate of these costs within our schedule of expenses at Appendix 3.

Administrators' Fees

We have incurred time costs of £1.4 million during the period, split between the fixed and floating charge, of which £0.9 million was paid in the period.

Solicitors' fees

We have incurred legal fees of £120,890 during the period, of which £750 was paid in the period. Our solicitors, Irwin Mitchell LLP ('Irwin Mitchell'), were instructed by the Company pre-appointment to assist with the drafting of the trading agreement and appointment documentation and were retained by the Joint Administrators' post-appointment due to their existing knowledge of the Company and the operation of the customer trading agreement.

The work undertaken by Irwin Mitchell during the period includes; drafting and advising on the initial writing and extension of the trading agreement with the Trading Agreement Customer, drafting the sale contract for the sale of business transaction and providing general advice to the Administrators on matters arising during the course of the administration.

Agents' fees

We are in the process of agreeing with our agents, Gordon Brothers, their final fee for the work completed during the administration.

3 Dividend prospects and dividends paid

3.1 Secured creditors

The Company had two secured creditors on appointment, Citizens Bank and Stellus. The lending provided to the UK Group was cross guaranteed by both the Company and Bromford.

Irwin Mitchell completed a review of the security position and has confirmed that the security as outlined below is valid.

Citizens Bank N.A. ('Citizens Bank')

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).

During the period, we made an interim distribution of £4.0 million to Citizens Bank from fixed and floating charge realisations.

We anticipate a future distribution will be made to Citizens Bank from floating charge realisations once we have finalised the quantum of the preferential creditor distribution, however, they will suffer a shortfall against their indebtedness.

Stellus Capital Investment Corporation ('Stellus')

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. There will be insufficient funds to make a distribution to Stellus.

3.2 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 3.3 below). These claims are therefore referred to as "ordinary preferential creditors".

The amount of ordinary preferential claims is currently unknown but is expected to be minimal considering no employees were made redundant during the course of the administration.

We anticipate that any ordinary preferential creditors will be paid in full and that payment will be made ahead of our next report to creditors, which will be published within six months.

3.3 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”.

Based on information received to date, we estimate the amount of secondary preferential claims to be £312,056.

We anticipate that secondary preferential creditors will be paid in full and that payment will be made ahead of our next report to creditors, which will be published within six months.

3.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors will receive a dividend by virtue of the Prescribed Part. The quantum and timing of the distribution is currently unknown.

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

4.1 Joint Administrators' remuneration and expenses

During the period, the secured and preferential creditors have provided approval 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 4 and the charge-out rates included in Appendix 6.
- 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 6

Time costs

From the date of our appointment to 8 September 2023, we have incurred time costs of £1,348,549. These represent 3,033 hours at an average rate of £445 per hour.

Remuneration

During the period, we have drawn floating charge remuneration of £904,262.

Administrators' Expenses

During the period, we have incurred expenses of £4,432, of which £4,282 have been paid during the period.

Additional information

We have attached a revised fees estimate at Appendix 4. The increase in time costs above our initial estimate is largely driven by the extension of the trading period from an initial 13-week period to a final period of 21 weeks. The extension resulted in significantly more time being required to oversee the ongoing trade than originally anticipated. In addition, further time was required to manage the sale of business process as a result of the initial offer being reduced by the preferred bidder.

Please note, the Customer Trading Agreement allows for the recovery of the Administrators' trading time costs, so the costs associated with trading will be offset by amounts recovered from the Trading Agreement Customer. The quantum of this contribution to fees will be confirmed in our next report to creditors but is expected to be in the region of £0.7 million.

Further, as the Company's IT platform was owned and operated by Bromford Leicester (which was sold to a separate third party in a business and asset sale transaction completing at the same time), a significant amount of time was spent planning and executing a separation of the Company's information and establishing a new IT platform

and infrastructure. Furthermore, the Company's business was sold together with the Alcester Bromford business which had to be coordinated. This transaction structure and a complex 4-week IT separation exercise were not anticipated on completion our original fee estimate.

We have attached a revised expenses estimate at Appendix 5. We have exceeded the original expense estimate largely as a result of the reasons provided above; estimates across all trading and asset realisations cost categories have increased to account for an additional seven weeks of trade, IT separation exercise and extended sale process. In addition, we have incurred higher than anticipated legal fees due to the extension of the trading agreement, the negotiation of a supplemental customer purchase order agreement and additional drafting work required for the sale of business contacts as a result of the change in purchaser.

We have attached (Appendix 6) 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 8 September 2023. We have also attached our charging and expenses policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our Proposals:

Interpath fees	101,239.42	101,239.42	101,239.42	0.00
Interpath expenses	28.21	28.21	28.21	0.00
Legal fees	26,334.50	26,334.50	0.00	26,334.50
Legal expenses	61.00	61.00	0.00	61.00
Total	127,663.13	127,663.13	101,267.63	26,395.50

We obtained approval from secured and preferential creditors to pay pre-administration costs in full as an expense of the administration.

It is anticipated that the legal fees and expenses will be paid in full during the next period.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Collecting outstanding trading sales and pre-appointment book debts;
- Finalising and paying all outstanding costs of the trading period;
- Finalising the reconciliations relating to the Trading Agreement for the entirety of the trading period;
- Collecting any deferred consideration that may fall due;
- Finalising all other outstanding matters, including the payment of administration liabilities;
- Obtaining tax and VAT clearance for the administration;
- Complying with all legal and statutory matters arising in the administration;
- Making a distribution to the applicable secured creditor once funds become available;
- Agreeing the ordinary and secondary preferential creditor claims and paying a dividend to both classes of preferential creditor;
- Making a distribution to the unsecured creditors by virtue of the prescribed part once claims have been agreed;
- Obtaining discharge from liability from the secured and preferential creditors; and
- Seeking approval for an extension to the period of the administration beyond its present expiry date of 8 March 2024. See Section 5.3 below for further information.

5.2 Discharge from liability

The Joint Administrators 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.

5.3 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

In view of the outstanding matters remaining in this administration, we will require an extension to the period of the administration beyond its present expiry date of 8 March 2024, for the following reasons;

To allow us to conclude the realisation of assets. There are assets still to be realised in the administration;

To provide sufficient time to finalise the trading account following which we will undertake a reconciliation relating to the Trading Agreement for the trading period;

Adjudicating and agreeing the ordinary and secondary preferential claims for dividend distribution purposes, following which we will declare and pay a dividend to these creditors;

Adjudicating and agreeing the unsecured creditor claims for dividend distribution purposes, following which we will declare and pay a dividend by virtue of the Prescribed Part to unsecured creditors; and

Concluding all other administration matters, including settling administration costs and seeking tax clearance at the appropriate time.

5.4 Future reporting

We will provide a further progress report within one month of 8 March 2024 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company name	AL Realisations 2023 Limited (formerly known as Accrofab Limited)
Date of incorporation	23 June 1977
Company registration number	01318724
Present registered office	Interpath Ltd, 2nd Floor, 45 Church Street, Birmingham, B3 2RT
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' details	Ryan Grant and Chris Pole
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £2.87 million. Estimated Prescribed part is £0.58 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.
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

Appendix 2

Joint Administrators' receipts and payments account

Trading accounts

AL Realisations 2023 Limited - in Administration – GBP Trading account		
Trading accounts		
Statement of Affairs (£)	From 09/03/2023 To 08/09/2023 (£)	From 09/03/2023 To 08/09/2023 (£)
POST-APPOINTMENT SALES		
Sales - Rolls Royce	549,552.23	549,552.23
Sales - Incora	1,975,189.35	1,975,189.35
Sales - Other	590,119.92	590,119.92
Scrap sales	41,143.96	41,143.96
Contribution to Costs of Trading Period	1,502,846.29	1,502,846.29
	4,658,851.75	4,658,851.75
PURCHASES		
Raw Material Purchases- Other	(956,040.90)	(956,040.90)
Direct Subcontract Costs- Rolls Royce	(4,081.56)	(4,081.56)
Direct Subcontract Costs- Other	(87,821.02)	(87,821.02)
Purchases - Proforma invoice	(70,515.77)	(70,515.77)
Payments for third parties	(706.67)	(706.67)
	(1,119,165.92)	(1,119,165.92)
OTHER DIRECT COSTS		
Direct labour	(1,264,054.50)	(1,264,054.50)
Direct expenses	(731.84)	(731.84)
Payroll costs	(1,612.00)	(1,612.00)
Consumable stores	(67,989.39)	(67,989.39)
Calibration & certification costs	(52,243.57)	(52,243.57)
	(1,386,631.30)	(1,386,631.30)
TRADING EXPENSES		
PAYE, Pension & EE deductions	(609,244.50)	(609,244.50)
Other Facilities Costs	(9,197.54)	(9,197.54)
Rent	(66,666.67)	(66,666.67)
Utilities	(2,028.05)	(2,028.05)
Small tools	(1,055.73)	(1,055.73)
Bromford recharge costs	(2,305.96)	(2,305.96)
Indirect manufacturing expense	(17,777.11)	(17,777.11)
Lease & hire costs	(1,640.99)	(1,640.99)
Repairs and maintenance	(25,886.02)	(25,886.02)

AL Realisations 2023 Limited - in Administration – GBP Trading account**Trading accounts**

Statement of Affairs (£)	From 09/03/2023 To 08/09/2023 (£)	From 09/03/2023 To 08/09/2023 (£)
Health & Safety	(29,813.00)	(29,813.00)
Insurance	(15,104.42)	(15,104.42)
Lien costs	(57,450.71)	(57,450.71)
Office Costs	(8,073.75)	(8,073.75)
Employee Sundry expenses	(806.86)	(806.86)
US shared services costs	(11,189.64)	(11,189.64)
IT	(1,494.00)	(1,494.00)
	(859,734.95)	(859,734.95)
Trading surplus/(deficit)	1,293,319.58	1,293,319.58

AL Realisations 2023 Limited - in Administration – USD Trading account**Trading accounts**

Statement of Affairs (\$)	From 09/03/2023 To 08/09/2023 (\$)	From 09/03/2023 To 08/09/2023 (\$)
POST-APPOINTMENT SALES		
Sales - Other	14,384.40	14,384.40
	14,384.40	14,384.40
Trading surplus/(deficit)	14,384.40	14,384.40

This USD trading account represents £11,538.88 as at 8 September 2023.

Receipts & payments**AL Realisations 2023 Limited - in Administration – GBP****Abstract of receipts & payments**

Statement of affairs (£)	From 09/03/2023 To 08/09/2023 (£)	From 09/03/2023 To 08/09/2023 (£)
FIXED CHARGE ASSETS		
Plant & machinery	653,000.00	653,000.00
The Intellectual Property	1.00	1.00
Goodwill	1,784,107.64	1,784,107.64
The Name	1.00	1.00
The benefit of any rent deposits	1.00	1.00
	2,437,110.64	2,437,110.64
FIXED CHARGE CREDITORS		
Fixed charge creditor	(2,080,000.00)	(2,080,000.00)
	(2,080,000.00)	(2,080,000.00)
ASSET REALISATIONS		

	The Sellers Records	1.00	1.00
	The Contracts & administrator' contract	1.00	1.00
	The Data assets	1.00	1.00
	The Information Technology	1.00	1.00
	The Servers	1.00	1.00
800,000.00	Plant & machinery	127,000.00	127,000.00
1,344,144.00	Stock	867,134.36	867,134.36
1,970,585.00	Book debts	2,170,780.77	2,170,780.77
512,976.00	Cash at bank	506,597.87	506,597.87
	Rent	50,866.04	50,866.04
	Intercompany debtors (SoFA Nil)	NIL	NIL
		3,722,384.04	3,722,384.04
	OTHER REALISATIONS		
	Bank interest, gross	32,211.50	32,211.50
	Prepayments and other debtors (SoFA Nil)	NIL	NIL
	Sundry refunds	601.09	601.09
	Trading surplus/(deficit)	1,293,319.58	1,293,319.58
	Third party funds	2,275.31	2,275.31
		1,328,407.48	1,328,407.48
	COST OF REALISATIONS		
	Insurance	(288.69)	(288.69)
	Rent	(16,666.67)	(16,666.67)
	Administrators' fees (trading)	(597,121.08)	(597,121.08)
	Administrators' fees	(307,140.67)	(307,140.67)
	Administrators' expenses	(4,310.54)	(4,310.54)
	Pre-administration Administrators' fees	(23,432.09)	(23,432.09)
	Pre-administration (trading) Admin fees	(77,807.33)	(77,807.33)
	Legal fees	(750.00)	(750.00)
	Telephone/Telex/Fax	(353.33)	(353.33)
	Statutory advertising	(91.00)	(91.00)
	Bank charges	(1,270.73)	(1,270.73)
		(1,029,232.13)	(1,029,232.13)
	PREFERENTIAL CREDITORS		
(312,056.00)	Secondary preferential creditors (HMRC)	NIL	NIL
(94,029.00)	Ordinary preferential creditors	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(38,286,260.00)	Floating charge	(1,920,000.00)	(1,920,000.00)
		(1,920,000.00)	(1,920,000.00)
	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)		2,458,670.03	2,458,670.03
	REPRESENTED BY		
	Floating ch. VAT rec'able		476,330.73
	Floating charge current		2,474,374.38
	Floating ch. VAT payable		(850,114.32)
	Floating ch. VAT control		350,025.32
	Trade Creditors		278.20
	Petty Cash		7,775.72
			2,458,670.03

AL Realisations 2023 Limited - in Administration – USD**Abstract of receipts & payments**

Statement of affairs (\$)	From 09/03/2023 To 08/09/2023 (\$)	From 09/03/2023 To 08/09/2023 (\$)
OTHER REALISATIONS		
Trading surplus/(deficit)	14,384.40	14,384.40
	14,384.40	14,384.40
	14,384.40	14,384.40
REPRESENTED BY		
Floating charge current		14,384.40
		14,384.40

This USD receipts & payments account represents £11,538.88 as at 8 September 2023.

Appendix 3 Schedule of expenses

Purchases

Raw Material Purchases- Other	1,001,244.30	40,366.93	1,041,611.23
Direct Subcontract Costs- Rolls Royce	4,081.56	0.00	4,081.56
Direct Subcontract Costs- Other	87,821.02	10,884.10	98,705.12
Purchases - Proforma invoice	70,515.77	0.00	70,515.77
Payments for third parties	706.67	0.00	706.67

Other direct costs

Direct labour	1,264,054.50	14,500.00	1,278,554.50
Direct expenses	731.84	0.00	731.84
Payroll costs	1,612.00	0.00	1,612.00
Consumable stores	67,989.39	8,079.14	76,068.53
Calibration & certification costs	52,243.57	1,404.20	53,647.77

Trading expenses

PAYE, Pension & EE deductions	609,244.50	0.00	609,244.50
Other Facilities Costs	9,197.54	0.00	9,197.54
Rent	66,666.67	0.00	66,666.67
Utilities	2,028.05	66,058.50	68,086.55
Small tools	1,055.73	672.00	1,727.73
Freight	0.00	0.00	0.00
Bromford recharge costs	2,305.96	0.00	2,305.96
Indirect manufacturing expense	17,777.11	2,896.30	20,673.41
Lease & hire costs	1,640.99	0.00	1,640.99
Repairs and maintenance	25,886.02	553.11	26,439.13
Health & Safety	29,813.00	0.00	29,813.00
Insurance	15,104.42	28,592	43,696.09
Lien costs	12,247.31	0.00	12,247.31
Office Costs	8,073.75	3,010.24	11,083.99
Employee Sundry expenses	806.86	0.00	806.86
US shared services costs	11,189.64	0.00	11,189.64

Cost of realisations

Insurance	288.69	0.00	288.69
Rent	16,666.67	33,333.34	50,000.01
Administrators' fees (trading)	597,121.08	0.00	597,121.08
Administrators' fees	307,140.67	444,286.75	751,427.42
Administrators' expenses	4,282.33	0.00	4,282.33
Pre-administration Administrators' fees	23,432.09	0.00	23,432.09
Pre-administration (trading) Admin fees	77,835.54	0.00	77,835.54
Agents'/Valuers' fees	0.00	0.00	0.00
Legal fees	750.00	140,890.00	131,640.00
Telephone/Telex/Fax	353.33	0.00	353.33
Statutory advertising	91.00	182.00	273.00
Bank charges	1,270.73	0.00	1,270.73
TOTAL	4,393,270.30	795,708.61	5,178,978.58

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Amy Rose at Interpath Ltd, 2nd Floor, 45 Church Street, Birmingham, B3 2RT.

Appendix 4

Joint Administrator's revised fees estimate

Statutory and compliance	1	88.50	42,652.50	481.95	144.00	78,211.00	543.13	120,863.50
Cashiering	2	50.00	15,560.00	311.20	168.85	66,778.50	395.49	82,338.50
Tax	3	121.50	59,777.50	492.00	29.00	6,409.50	221.02	66,187.00
General	4	55.50	22,562.50	406.53	(1.70)	3,999.25	(2,352.50)	26,561.75
		315.50	140,552.50	445.49	340.15	155,398.25	456.85	295,950.75
	5	1,256.00	551,690.00	439.24	586.30	149,344.50	254.72	701,034.50
	6	171.35	97,475.50	568.87	617.90	339,328.75	549.16	436,804.25
Employees	7	32.50	13,355.00	410.92	110.40	44,283.00	401.11	57,638.00
Creditors and claims	8	162.75	74,373.75	456.98	219.35	96,028.25	437.79	170,402.00
		195.25	87,728.75	449.31	329.75	140,311.25	425.51	228,040.00
Directors	9	41.00	16,275.00	396.95	(25.50)	(8,194.00)	321.33	8,081.00
Investigations	9	37.00	10,540.00	284.86	(12.30)	(1,170.00)	95.12	9,370.00
		78.00	26,815.00	343.78	(37.80)	(9,364.00)	247.72	17,451.00
Total		2,016.10	904,261.75	448.52	1,836.30	775,018.75	422.05	1,679,280.50

Note 1- Statutory and compliance

Increased time has been required for statutory and compliance activities in comparison to our initial estimate. We retained a robust administration team for longer than initially anticipated in order to deliver the extended trading period described in Section 2. This meant that more time has been incurred to monitor and brief our staff on the administration strategy and matters in relation to various workstreams, as well as involving our staff in regular team update calls to review progress. We have also spent more time than initially anticipated in providing updates to representatives of the secured creditors regarding the progress of the administration and case strategy, particularly in relation to trading and the sale of business.

We expect that a reduced amount of time will be spent in future periods in relation to the tasks described above. More time will also be required to ensure compliance with our statutory obligations and complete closure related activities at the appropriate time.

Note 2- Cashiering

Increased cashiering time is anticipated as a result of the high volume of payments made during the administration trading period, which includes an additional seven weeks' worth of trading receipts and costs compared to our original estimate.

In future, we will continue to incur time processing payments and receipts, performing bank reconciliations and ensuring compliance with appropriate risk management

procedures in relation to receipts and payments, although the amount of time required will be reduced in line with the reduced volume of transactions.

Note 3- Tax

Estimated time required to deal with tax related matters remains broadly in line with our initial estimate. Our work to date in relation to tax has involved undertaking a review of the Company's pre-appointment tax affairs and ensuring post-appointment VAT compliance. Our future work will involve the preparation of VAT and Corporation Tax returns before applying for deregistration from VAT and obtaining Corporation Tax clearance at the appropriate time ahead of closure.

Note 4- General

Time incurred to date in relation to general matters has included arranging for the uplift and storage and electronic backup of relevant Company books and records, performing regular WIP reviews against budget and drawing administrators' fees. Our estimated time costs in relation to general matters remain broadly in line with our initial estimate.

Note 5- Trading

Our initial estimate of time to be incurred in relation to trading was based on a 13-week trading period, in line with our initial strategy for the administration. As described in Section 2, the trading period was subsequently extended with agreement from the major customers of the Company and eventually ran to 21 weeks. As a result, time incurred in relation to trading is significantly higher than our initial estimate. We have also accounted for future time that we expect will be required to finalise the costs of the trading period and complete the true-up exercise to be presented to the Company's key customer. Please note that the trading costs will be borne by the Trading Agreement Customer as part of the trading true up exercise.

Trading related activities have included the following:

- 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; and
- reconciling the final trading position and providing updates to the key customers on the trading agreement reconciliation.

Note 6- Asset realisations

Time incurred in relation to asset realisations has also exceeded our initial estimate. This increase is largely due to the extended timeline and large volume of work required to progress the sale of business process with interested parties which resulted in the transaction detailed in Section 2. With the sale of business largely completed, and the vast majority of the Company's debtor book realised, we expect only a limited amount of future time will be incurred in relation to asset realisations.

Note 7- Employees

The Company employed 107 staff at the time of appointment and time has therefore been required to respond to employee queries regarding the administration and their employment, including holding employee briefing meetings, administering the Company's payroll and dealing with pension related matters. Time spent in relation to these activities has exceeded our initial estimate due to the extended trading period. Future hours will also be required to process employee claims and deal with any outstanding queries.

Note 8- Creditors and claims

Time has been incurred to date in liaising with creditors regarding correspondence received, dealing with ROT claims and completing our statutory reporting obligations to creditors. The increased time costs estimate includes future time we expect will be required to agree creditor claims, make distributions and fulfil our statutory reporting obligations for the remainder of the administration period.

Note 9- Directors and investigations

Time incurred in relation to directors and investigations has included overseeing the directors' completion of the Statement of Affairs, as well as time to review responses to directors' questionnaires and complete our formal investigations into the affairs of the Company and the conduct of the directors prior to our appointment (which forms part of our statutory obligations). We expect that no future time will be incurred in relation to these activities, so have revised our initial estimated costs downwards in line with time incurred to date.

Appendix 5

Joint Administrators' revised expenses estimate

Trading costs					
Salaries	1	1,242,902	1,876,450	14,500	1,890,950
Material purchases	1	764,269	1,071,760	40,367	1,112,127
Subcontractors	1	82,494	91,903	10,884	102,787
Other manufacturing costs	1	99,148	138,010	12,380	150,390
Tooling / repairs	1	26,932	26,942	1,225	28,167
Freight	1	6,746	0	0	0
Office costs	1	128,596	17,271	3,010	20,282
Utilities	1	118,316	2,028	66,058.50	68,086.55
Trading insurance	1	4,055	15,104	28,592	43,696
Health and safety	1	0	29,813	0	29,813
Lease and hire costs	1	0	1,641	0	1,641
Rent	1	58,286	66,667	0	66,667
Rates	1	20,015	0	27,329	27,329
Contingency	1	102,500	0	102,500	102,500
Bank charges	1	500	0	0	0
Group recharges	1	65,000	3,013	0	3,013
Lien costs	1	0	12,247	0	12,247
US shared service costs	1	0	11,190	0	11,190
Legal fees	1	15,000	0	35,000	35,000
Total trading costs		2,734,759	3,364,039	341,846	3,705,886
Non-trading costs					
Insurance		15,000	289	0	289
Rent	2	0	16,667	0	16,667
Storage / Books and records		3,000	0	0	0
Contingency		75,000	0	75,000	75,000
Statutory advertising		750	91	182	273
Joint Administrators' fees	3	0	904,262	775,019	1,679,281
Joint Administrators' expenses		0	4,282	3,000	7,282
Pre-administration administrators' fees		0	101,278	0	101,278
Bank charges		0	1,271	300	1,571
Legal fees	4	86,396	750	140,890.00	131,640.00
IT costs		0	353	0	353
Agents	5	10,000	0	0	0
Total non-trading costs		190,146	1,029,243	994,391	2,013,634
Total estimated expenses		2,924,905	4,393,282	1,336,237	5,719,520

Note 1 - Trading costs

Our estimates for salaries, materials and manufacturing costs have increased due to the trading period extension from an original 13-week period to a 21-week trading period. As a result, we have increased estimates across all trading cost lines to include the additional seven weeks trading costs.

Salaries includes PAYE, NIC and other benefits in accordance with employee contracts.

Within our original estimate, we did not include an amount for trading health & safety costs or lien costs. However, to ensure we continued to remain compliant with the Company's regulatory and health & safety standards during the period, we incurred costs relating to ongoing health & safety training and assessments.

In addition, we incurred lien costs in relation to a small number of suppliers whose goods or services were required for the trading period, who wouldn't otherwise have continued to supply to the Company throughout the period.

Note 2 - Non-trading rent costs

Upon completion, we entered into a license to occupy ('LTO') agreement with the Purchaser. The Purchaser has put us in funds for future rent which we will pay directly to the landlords. Although the above expense estimate shows a cost to the administration, this will be netted off against the rent paid by the Purchasers.

Note 3 - Joint Administrators' fees

Fees associated with dealing with the administration, see our revised fees estimate attached at Appendix 4.

Please note, the Customer Trading Agreements allow for the recovery of the Administrators' trading time costs, so the costs associated with trading will be offset by amounts recovered from the Trading Agreement Customers. The quantum of this contribution to fees will be confirmed in our next report to creditors but is expected to be in the region of £0.7 million.

Note 4 - Legal fees

To date, we have incurred legal fees in relation to the preparation of trading agreements, advice regarding the validity of our appointment and other general advice pertaining to the administration. The increase in legal fees above our initial estimate is largely due to the drafting of two trading agreement extensions, drafting a supplementary purchase order agreement with the Trading Agreement Customer and additional time spent dealing with sale of business matters as a result of the change in preferred bidder.

Note 5 - Agents fees and expenses

Agents costs for providing valuation advice and assisting with the sale process of the Company is expected to increase due to further analysis identifying the split of the plant and machinery between fixed and floating charge assets.

Appendix 6 Joint Administrators' charging and expenses policy

Joint Administrators' charging 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 Amy Rose on 0115 666 0261.

Hourly rates

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.

Policy for the recovery of expenses

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 expenses from the date of our appointment to 8 September 2023.

Meals	456.18	NIL	NIL	NIL	456.18
Mileage	NIL	NIL	1,093.25	NIL	1,093.25
Postage	558.50	149.58	NIL	NIL	708.08
Sundry	190.00	NIL	NIL	NIL	190.00
Travel	1,984.40	NIL	NIL	NIL	1,984.40
Total	3,189.08	149.58	1,093.25	NIL	4,431.91

Narrative of work carried out for the period 9 March 2023 to 8 September 2023

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; preparing statutory receipts and payments accounts, including maintaining a USD receipts and payments account; 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; time spent negotiating Trading Agreements and funding with the Trading Agreement Customers; 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; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of secured creditors regarding the progress of the administration, case strategy and sale of business process.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; setting up administration bank accounts, including currency bank accounts, and dealing with the Company's pre-appointment accounts; creating remittances and sending payments to settle 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; reconciling post-appointment bank accounts to internal systems; 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; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by secured and preferential creditors; locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
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 non-Trading Agreement customers to

	<p>negotiate terms of ongoing trade;</p> <p>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;</p> <p>securing petty cash on site and monitoring spend;</p> <p>dealing with issues in relation to stock and other assets required for trading;</p> <p>communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions;</p> <p>monitoring stock and stock reconciliations;</p> <p>dealing with hauliers to ensure ongoing services;</p> <p>ensuring ongoing provision of emergency and other essential services to site.</p>
Asset realisations	<p>collating information from the Company's records regarding the assets;</p> <p>liaising with finance companies in respect of assets subject to finance agreements;</p> <p>liaising with agents regarding the sale of assets;</p> <p>dealing with issues associated with the sale of stock;</p> <p>reviewing outstanding debtors and management of debt collection strategy;</p> <p>liaising with Company credit control staff and communicating with debtors;</p> <p>seeking legal advice in relation to book debt collections;</p> <p>reviewing the inter-company debtor position between the Company and other group companies.</p>
Property matters	<p>reviewing the Company's leasehold properties, including review of leases;</p> <p>communicating with landlords regarding rent, property occupation and other issues;</p> <p>performing land registry searches;</p> <p>agreeing a Licence to Occupy agreement with the Purchaser;</p> <p>paying the landlords under the LTO agreements and reconciling rental payments made under the LTO.</p>
Sale of business	<p>planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers;</p> <p>seeking legal advice regarding sale of business, including regarding non-disclosure agreements;</p> <p>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;</p> <p>dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room;</p> <p>managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties;</p> <p>carrying out sale negotiations with interested parties;</p> <p>planning and overseeing the extensive separation of the Company's IT systems, financial and employee records;</p> <p>monitoring the collectability of the contingent deferred consideration.</p>
Health and safety	<p>liaising with internal 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;</p> <p>liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance;</p> <p>organising ongoing health and safety training for Company staff during the trading period.</p>
Open cover insurance	<p>arranging ongoing insurance cover for the Company's business and assets;</p> <p>liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</p> <p>assessing the level of insurance premiums.</p>
Employees	<p>dealing with queries from employees regarding various matters relating to the administration and their employment;</p> <p>dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</p> <p>holding employee briefing meetings to update employees on progress in the administration and our strategy.</p>
Pensions	<p>collating information and reviewing the Company's pension schemes;</p> <p>calculating employee pension contributions and review of pre-appointment unpaid contributions;</p> <p>ensuring compliance with our duties to issue statutory notices;</p> <p>communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.</p>
Creditors and claims	<p>drafting and circulating our proposals;</p> <p>creating and updating the list of unsecured creditors;</p>

	<ul style="list-style-type: none"> ■ 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; ■ agreeing secured creditor claims and arranging distributions to the secured creditors; ■ drafting our progress report.
Investigations/ Directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 –Time costs analysis (09/03/2023 to 08/09/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Trading			
Asset Realisation			
Health & safety	5.20	1,822.00	350.38
Pre-appointment tax & VAT refunds	0.30	190.50	635.00
Cashiering			
General (Cashiering)	181.65	65,471.00	360.42
Reconciliations (& IPS accounting reviews)	2.10	825.00	392.86
Employees			
Employee Correspondence	50.95	22,034.75	432.48
Pension funds	6.30	3,339.00	530.00
Pensions reviews	0.50	362.50	725.00
Realisation of assets			
Health & safety	2.00	1,270.00	635.00
Tax			
Initial reviews - CT and VAT	3.70	2,349.50	635.00
Post appointment corporation tax	22.30	9,440.50	423.34
Post appointment PAYE (Non Trading)	1.20	636.00	530.00
Post appointment VAT	16.50	7,078.00	428.97
Trading			
Cash & profit projections & strategy	25.90	17,578.00	678.69
Employee Matters / PAYE	107.90	45,826.50	424.71
Negotiations with customers	199.60	98,993.50	495.96
Negotiations with suppliers / landlords	274.40	106,601.00	388.49
Post trading related matters	70.20	27,543.00	392.35
Purchases and trading costs	589.25	175,674.75	298.13

SIP 9 –Time costs analysis (09/03/2023 to 08/09/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Sales	32.70	17,736.00	542.39
Trading Management	342.10	134,773.00	393.96
Administration & planning			
General			
Books and records	1.15	545.50	474.35
Fees and WIP	13.15	8,271.25	628.99
Statutory and compliance			
Appointment and related formalities	65.60	30,341.50	462.52
Bonding & Cover Schedule	0.60	222.00	370.00
Budgets & Estimated outcome statements	22.35	15,128.75	676.90
Checklist & reviews	38.30	20,812.50	543.41
Reports to debenture holders	0.30	234.00	780.00
Statutory advertising	0.40	254.00	635.00
Statutory receipts and payments accounts	10.30	5,004.00	485.83
Strategy documents	44.70	28,838.00	645.15
Creditors			
Creditors and claims			
Agreement of claims	0.75	543.75	725.00
General correspondence	7.75	3,221.25	415.65
Notification of appointment	1.70	629.00	370.00
Pre-appointment VAT / PAYE / CT	0.30	190.50	635.00
ROT Claims	0.75	198.75	265.00
Secured creditors	33.85	24,893.25	735.40
Statutory reports	67.80	32,931.00	485.71
Investigation			
Directors			
D form drafting and submission	17.25	5,452.25	316.07
Directors' questionnaire / checklist	2.50	892.50	357.00
Statement of affairs	4.95	3,002.75	606.62
Investigations			
Claims against 3rd party advisors	0.40	254.00	635.00
Correspondence re investigations	14.50	7,605.00	524.48
Mail redirection	0.00	0.00	0.00
Review of pre-appt transactions	0.60	222.00	370.00
Realisation of assets			

SIP 9 –Time costs analysis (09/03/2023 to 08/09/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Asset Realisation			
Cash and investments	0.30	111.00	370.00
Debtors	26.85	12,402.75	461.93
Insurance	12.85	8,227.25	640.25
Leasehold property	2.30	957.00	416.09
Plant and machinery	1.50	952.50	635.00
Sale of business	704.75	396,539.25	562.67
Vehicles	0.20	127.00	635.00
Total in period	3,033.45	1,348,548.75	444.56
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)	3,033.45	1,348,548.75	
Carry forward time (appointment date to SIP 9 period end date)	3,033.45	1,348,548.75	

Appendix 7 Glossary

Agents/Gordon Brothers	Gordon Brothers International LLC
Accrofab Derby/the Purchaser	Accrofab (Derby) Limited
Bromford	Bromford Industries Limited – in Administration
Bromford Alcester	Bromford Industries Limited (Alcester site)
The Company	AL Realisations 2023 Limited - in Administration (formerly known as Accrofab Limited)
Joint Administrators/we/our/us	Ryan Grant and Chris Pole
Interpath/Interpath Advisory	Interpath Ltd
Secured creditor	Citizens Bank, N.A. as Administrative and Collateral Agent and Security Trustee for the Secured Parties ('Citizens Bank'/'1st lien Secured Creditor') Stellus Capital Investment Corporation ('Stellus'/'2nd lien Secured Creditor')
Solicitors/lawyers/IM	Irwin Mitchell LLP
Trading Agreement Customer	Rolls Royce PLC
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UK Group	The Company together with; Bromford Industries Limited – in

Administration ('Bromford')

Any references in this progress report 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 report

This report has been prepared by Ryan Grant and Chris Pole, the Joint Administrators of AL Realisations 2023 Limited - – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress 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.

This report has not been prepared in contemplation of it being used, and is 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 Group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its 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 this report to any such person.

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 may be 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 this report or the conduct of the administration.

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