

# AM03

## Notice of administrator's proposals



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### 1 Company details

Company number 0 1 8 3 7 7 1 6

Company name in full Curer-Chem Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Frank

Surname Ofonagoro

### 3 Administrator's address

Building name/number Third Floor

Street 196 Deansgate

Post town Manchester

County/Region

Postcode M 3 3 W F

Country

### 4 Administrator's name ①

Full forename(s) Jeremy

Surname Woodside

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Third Floor

Street 196 Deansgate

Post town Manchester

County/Region



Postcode M 3 3 W F

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

6		Statement of proposals			
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals			
7		Qualifying report and administrator's statement <sup>1</sup>			
		<input type="checkbox"/> I attach a copy of the qualifying report		<sup>1</sup> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)	
		<input type="checkbox"/> I attach a statement of disposal			
8		Sign and date			
Administrator's Signature		Signature 			
Signature date		<div><div><sup>d</sup><div>2</div></div><div><sup>d</sup><div>2</div></div></div> <div><div><sup>m</sup><div>0</div></div><div><sup>m</sup><div>3</div></div></div> <div><div><sup>y</sup><div>2</div></div><div><sup>y</sup><div>0</div></div><div><sup>y</sup><div>2</div></div><div><sup>y</sup><div>3</div></div></div>			

# AM03

## Notice of Administrator's Proposals



### Presenter information

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

Contact name **Matt Wright**

Company name **Quantuma Advisory Limited**

Address **Third Floor**  
**196 Deansgate**

Post town **Manchester**

County/Region

Postcode **M 3 3 W F**

Country

DX

Telephone **0161 6949144**



### Checklist

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**Please make sure you have remembered the following:**

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



### Important information

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



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The Registrar of Companies, Companies House,  
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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](http://www.gov.uk/companieshouse)**

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

In the High Court of Justice Business and Property Courts in  
Manchester Reference No. CR-2023-000135

Curer-Chem Limited (In Administration)

**THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

Frank Ofonagoro and Jeremy Woodside  
Joint Administrators

Quantuma Advisory Limited

Third Floor, 196 Deansgate, Manchester, M3 3WF

0161 6949144

**Disclaimer Notice**

- This Statement of Proposals has been prepared by Frank Ofonagoro and Jeremy Woodside, the Joint Administrators of Curer-Chem Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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.
- Any estimated outcomes for creditors included in this Statement of 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 this document for any purpose or in any context other than under Paragraph 49 of 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 this Statement of Proposals.
- The Joint Administrators act as agent for Curer-Chem Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma Advisory Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

**The Joint Administrators' Statement of Proposals**

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## The Joint Administrators' Statement of Proposals

### 1. Executive Summary

- 1.1 This Statement of Proposals is being delivered to creditors on 22 March 2023.
- 1.2 It was not possible to issue the Statement of Proposals at the same time as the previously circulated SIP 16 Statement due to further investigation into the current position of the Company's debtor ledger, which is a material asset to be realised for the benefit of the administration estate.
- 1.3 On 14 February 2023, Frank Ofonagoro and Jeremy Woodside of Quantuma Advisory Limited were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Company's board of directors.
- 1.4 The Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to one of more secured or preferential creditors.
- 1.5 A summary of the current and anticipated future positions are detailed below.

#### Assets

Asset	Realisations to date	Anticipated future realisations	Total anticipated realisations
Goodwill	50,000	Nil	50,000
Intellectual Property	1	Nil	1
Book Debts	123,247	136,753	260,000
Stock	1	Nil	1
Plant & Machinery	4,997	Nil	4,997
Business Records	1	Nil	1
Customer Contracts	1	Nil	1

#### Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Joint Administrators' fees	Nil	88,000	88,000
Solicitors' fees	1,485	3,515	5,000
Accountancy Fees	200	4,800	5,000
Agent's Fees	3,000	Nil	3,000
Debtor collection fees	23,328	28,672	52,000
All other expenses	44,606	Nil	44,606

#### Dividend prospects

Creditor class	Distribution dividend paid to date	Anticipated distribution dividend
Secured creditor (fixed charge)	15,161	15,161
Secured creditor (floating charge)	N/A	N/A
Preferential creditors	Nil	445
Secondary preferential creditors	Nil	TBC
Unsecured creditors	Nil	TBC

- 1.6 The main work remaining to be done to conclude the Administration is the following:

- Monitor the collection of book debts;
- Liaise with the secured creditor regarding satisfaction of its charge;
- Deal with any third party assets;

## **The Joint Administrators' Statement of Proposals**

- Investigate and submit any pension claims;
- Surrender the Company's leasehold agreement and terminate the existing licence to occupy given to the Purchaser;
- Statutory investigations and submission of directors' conduct report;
- Ensure collection of any monies which may be due to the Company from the Contingent Asset;
- If funds are available, make a distribution to the preferential creditors; and
- Discharge all outstanding costs of the Administration.

1.7 The Administration is currently expected to be concluded in c.12 months by exiting through dissolution, although this is dependent on the level of any realisations from the Contingent Asset.

1.8 Definitions of the terms used in this Proposal are provided in Appendix I.

## **2. Background to the Company**

2.1 The Company was incorporated in 1984 and its principal activity is the sale of cleaning products and safety clothing. It trades from leasehold premises at 3 Missouri Avenue, Salford, Manchester, M50 2NP and employs 8 staff.

2.2 The business commenced trading in 1984, initially manufacturing and supplying cleaning chemicals to businesses and industry in the Manchester area. Over the years the direction of the company changed away from manufacturing chemicals towards supplying washroom consumables, toilet paper, hand towels, hand soap etc. Becoming distributors for some of the leading brands of these products facilitated good growth into supplying office blocks and larger institutions.

2.3 The original founders of the business retired in 2006 and in 2009 a new division was established, distributing PPE and workwear uniforms. This also led to the company expanding its operations into Liverpool and along the A580 corridor.

2.4 Following a sustained period of successful trading, in December 2020 the Company received an approach from acquisitive entrepreneurs who were seeking to build a portfolio of diverse companies.

2.5 Statutory information on the Company and extracts from its most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Quantuma Advisory Limited.

## **3. Events leading up to the Administration**

3.1 In June 2021, the Company's sole shareholder, Mike Rose, sold his shares to a third party. The consideration included an amount paid on completion totalling £800k and a proportion of deferred consideration totalling £200k, payable over a two-year period in 8 quarterly instalments of £25k. The acquirers granted security to the Seller in the form of a share pledge over the shares of the Company in the event of any default by them as regards payment of the deferred consideration.

3.2 In late 2022, the acquirers had defaulted on successive quarterly installments of the deferred consideration and Mr Rose enforced the charge over the Company's shares in order to realise value remaining in the shares at that time.

## **The Joint Administrators' Statement of Proposals**

- 3.3 Following their acquisition, the acquirers had introduced significant debt to the Company, which included an invoice finance facility, asset finance and two CBILS loans. Whilst the Company was trading with an underlying profit, Mr Rose had become concerned, in his capacity as director, with the Company's ability to service the increased debt costs.
- 3.4 In addition, the Company had built up arrears with its landlord for the sum of c.£16k and was forced to enter into a payment plan with HMRC with arrears of c.£70k.
- 3.5 The Company's increased difficulty servicing its debts led to its Invoice Finance provider to become concerned with the Company's prospects and ability to survive as a going concern. The Company's position continued to deteriorate leading to it requiring support by its Invoice Finance provider above levels available under its facility. By the end of January 2023, the Company's Invoice Finance provider was forced to halt further advances of funds from the Company's facility, which meant that the Company had become unable to pay its debts as and when they fell due and was therefore insolvent in accordance with s.123 of the Insolvency Act 1986 (as amended). Without the prospect of an immediate significant injection of working capital to meet short term creditor obligations, the Company's board of directors had no alternative other than to consider a formal insolvency process of administration to protect the interests of creditors.
- 3.6 Mr Rose advised that there was not sufficient working capital to trade for much longer and he would fund immediate payments to creditors whilst an accelerated sale of the Company's business and assets was explored by way of a pre-pack administration. A rationale for this sale and other factors is provided at Appendix IV.
- 3.7 Once the board had resolved to pursue a pre-pack administration sale strategy, Mr Rose filed a NOIA with the court on 3 February 2023 to enable the Company to benefit from an interim moratorium, which afforded protection of the Company's business and assets from any enforcement action.
- 3.8 Following an accelerated sale process (the details of which is summarised at Appendix IV) a connected party, of which the director of the Company are also the appointed directors and shareholders, were successful in purchasing the Company's business and assets.

Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.

- 3.9 No Moratorium under Part A1 of the Act has been in force for the Company at any time within the period of 2 years ending with the day on which it entered Administration.
- 3.10 These proceedings are COMI proceedings.
- 3.11 In compliance with the data protection legislation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

### **Ethical Considerations**

- 3.12 Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken, and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.



## **The Joint Administrators' Statement of Proposals**

### **4. The Objective of the Administration**

#### **4.1 Administrators must perform their functions with the objective of:**

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The Joint Administrators would comment that due to a lack of working capital and the level of historic liabilities, the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

4.3 Whilst the swift steps taken by the Joint Administrators have enhanced realisation prospects, the Joint Administrators do not believe that the dividend (if any) to unsecured creditors will be improved over that which could have been achieved via a liquidation alone. Accordingly, the Joint Administrators do not consider it likely that the second objective will be achieved.

4.4 The Joint Administrators would comment that the third objective will be achieved, as the secured creditor has been paid in full and it is anticipated that there will be a distribution to at least one class of the Company's preferential creditors.

4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

### **5. Events since the Joint Administrators' Appointment**

5.1 Immediately upon appointment, the Joint Administrators sold the Company's business and assets to Intellimar Limited ("Intellimar") following a pre-pack process for a total sale consideration of £70,000, which has been received in full. Intellimar is a connected party as its primary director is also Mr Rose. Detailed information relating to the pre-pack process is set out in Appendix IV, however, we have also provided a brief summary of the same below.

#### **The sale of the Company's business and assets**

5.2 In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Joint Administrators' appointment are summarised as follows:

5.3 Immediately upon our engagement, Intellimar expressed an interest in purchasing the Company's business and assets. Intellimar is connected with the Company pursuant to S.249 and S.435 of the Insolvency Act 1986 by virtue of the Company's director also being a director and shareholder of the Purchaser.

5.4 The Joint Administrators had instructed SIA, who are professional independent agents with adequate professional indemnity insurance, to advise on the most appropriate method for disposing of the Company's assets. SIA advised that the value of the Company's assets would not be enhanced by marketing them for sale, even discreetly, thus it would be in the best interest of creditors not to do so. SIA explained that to market the Company's business and assets in this circumstance would have

## The Joint Administrators' Statement of Proposals

led to a material risk that the Company's customers would have sought alternative suppliers which would have significantly destroyed the value in the business.

- 5.5 In light of the above, Intelimar was invited to progress its interest and formulate a suitable offer. SIA weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer, albeit that this would have involved incurring more costs. SIA concluded that Intellimar's offer was very likely to represent the best net realisation for the business and assets and they recommended that the offer be accepted.
- 5.6 Consequently, the Company's business and assets were sold to Intellimar on 14 February 2023 for £70,000 plus (exclusive of any VAT), which was received in full on completion.
- 5.7 The sale consideration has been allocated to the following asset categories:

	£		
	Fixed Charge	Floating Charge	Total
Goodwill	50,000	-	50,000
Intellectual Property	1	-	1
Customer Contracts	-	1	1
Business Records	-	1	1
Stock	-	15,000	15,000
Plant & Machinery	-	4,997	4,997
	50,001	19,999	70,000

The sale agreement also includes an anti-embarrassment clause that stipulates that Intellimar will be required to pay 20% of any proceeds received that exceed the amount paid as part of this pre-packaged sale (i.e. £70,000) from a sale of the business within 12 months of the date of the sale agreement, being 14 February 2023. Any funds received under this clause will be available for the benefit of the administration estate.

- 5.8 There were no options, buy-back arrangements or similar conditions attached to the contract of sale.
- 5.9 The Company's book debts were excluded from the Sale. However, Intellimar has contractually agreed to assist with debtor collections in return for a fee of 20% of net collections. Further details are provided below. Other assets excluded from the sale consisted of cash at bank and any other assets not detailed in this section of our proposals.
- 5.10 A licence to occupy was granted in respect of the Company's lease at 3 Missouri Avenue, Salford, M50 2NP for a period of three months whilst negotiations with the landlord of the property are progressed. However, following our appointment, Intellimar advised they wished to terminate the licence to occupy and request that all licence fee monies be returned. This is currently being finalised.
- 5.11 There were 8 employees who were transferred as part of the sale to Intellimar.

## The Joint Administrators' Statement of Proposals

Other steps taken as regards **the Company's** assets

### Debtors

- 5.12 On the date of the Joint Administrators' appointment, the value of the Company's sales ledger totalled £273,812. The Company had factored its debtors to Novuna which held fixed charge security over these assets at the date of our appointment. At this point Novuna was owed a total of £12,978. Further costs, relating to termination fees and associated legal costs totalling £2,183, were subsequently charged to the ledger.
- 5.13 As part of the sale of the Company's business and assets, Intellimar will manage the collection of debtors and will report to the Joint Administrators periodically. Mr Rose considers that debtor collections should yield c.£260,000 to the administration estate. Intellimar will in turn be paid a collection fee of 20% of realisations net of Novuna's outstanding balance.
- 5.14 To date, there have been debtor collections of c.£131,803. A total of c.£123,247 has been paid into the administration estate account and the balance is held in a combination of the Company's pre-appointment account (c.£7,330) and unrepresented cheques (c.£1,226). These funds are in the process of being deposited into the administration account.
- 5.15 As a result of debtor collections to date, the total balance due to Novuna has been discharged in full. A further update regarding debtor collections will be provided in the Joint Administrators' six month progress report.

### Petty Cash

- 5.16 The Company's director has informed the Joint Administrators that there was a petty cash balance of £1,037, which was deposited into the pre-administration bank account and is in the process of being remitted to the administration account.

### Pre-Appointment Bank Account

- 5.17 Upon their appointment, the Joint Administrators made immediate contact with the Company's bankers to freeze the Company's bank accounts and request details of the current account balance. The account held a negative cash balance on appointment and therefore there will be no realisations from this source.

### Steps taken in relation to creditors

- 5.18 Prior to their appointment the Joint Administrators discussed the position of the Company's employees with Mr Rose who advised that one of his motivations for exploring how the Company's business and assets could be preserved was to protect the jobs of the Company's 8 employees.
- 5.19 Immediately following the sale to Intellimar, we understand that the employees were informed of the transaction and that as a result, all 8 had been transferred to Intellimar and therefore, employee claims were mitigated relating to arrears of pay, holiday pay, payment in lieu of notice and redundancy.
- 5.20 Additionally, the Joint Administrators' staff have undertaken a review of the Company's pension arrangements and have made mandatory statutory notifications to The Pensions Regulator and The Pension Protection Fund. Furthermore, the Joint Administrators have identified a number of schemes and are liaising with the relevant providers in order to establish the current position. We have become aware that there

## **The Joint Administrators' Statement of Proposals**

are arrears of certain pension contributions meaning that the Joint Administrators will need to submit a claim to the RPS to recover these monies.

- 5.21 The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls, correspondence and assisting the Purchaser with any correspondence with creditors regarding claims for Retention Of Title.
- 5.22 The Joint Administrators' staff also liaised frequently with the Company's secured creditor in the early days following appointment to confirm accurate details of their outstanding liability and account for any debtor receipts which will be payable to the administration estate for the benefit of creditors.

### **Instruction of specialists**

- 5.23 When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.
- 5.24 To advise on appropriate legal matters, and to prepare required legal documentation (e.g. on the BPA), the Joint Administrators instructed JMW, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.25 Following appointment, legal advice has been required in relation to the Company's leasehold interest. Intellimar was granted a licence drafted by JMW to occupy the leasehold property of the Company on completion of the business and assets sale whilst consent was obtained from the landlord for the assignment of the lease. In addition, JMW provided advice to the Joint Administrators on the validity of their appointment.
- 5.26 SIA, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agents also advised on the best method of disposal of those assets and provided a letter of recommendation in respect of the sale of the business and assets.
- 5.27 CRM who are experienced debt collection agents, were instructed to prepare an indicative valuation of the Company's book debts in order to assist the proposed Joint Administrators with any offers that may be received for the Company's funded debtor ledger.
- 5.28 CAM are asset valuers supported by RICS registered valuers, were instructed to prepare valuations of the Company's goodwill.
- 5.29 The basis upon which the professional fees above have been agreed is outlined in the Explanatory Notes to the Joint Administrators' Expenses Estimate at Appendix VIIA. All charges will be reviewed by the Joint Administrators' staff before being approved for payment.

## The Joint Administrators' Statement of Proposals

### Investigation into the Company's affairs prior to the Administration

5.30 The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be pursued for the benefit of the Administration estate and consequently, to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

5.31 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

### 6. The Statement of Affairs and the Outcomes for Creditors

6.1 An estimated statement of the Company's affairs has been submitted by the director of the Company, a copy of which is attached at Appendix V.

6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

#### Prospects for creditors

6.3 Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 14 February 2023 to 22 March 2023.

6.4 Attached at Appendix VII is an estimated outcome statement, which illustrates the anticipated outcomes for creditors. It sets out the total anticipated realisations and the financial benefit that the work undertaken by the Joint Administrators is expected to generate for creditors.

#### Secured creditors

##### Hitachi Capital (UK) Plc t/a Novuna Business Cash Flow

6.5 Novuna funded the Company by way of an invoice finance facility and holds security by way of fixed and floating charge over all of the Company's assets, created and registered on 11 June 2021.

The Company's secured debt at the date of the appointment of the Joint Administrators, and as set out in the Statement of Affairs, can be summarised as follows:

	£
Invoice Finance Facility	12,977

Since the administration date, Novuna has applied termination fees and associated costs of £2,183 and the full balance has been settled.

Please note that the differences in balance between the figure detailed in the director's Statement of Affairs and the figure above is due to timing.

#### Preferential Claims

6.6 The only categories of claims which have preferential status are those employees in respect of wages (up to £800), accrued holiday pay and certain pension contributions.

As a result of the sale of the Company's business and assets, all 8 of the Company's employees transferred automatically to Intellimar under TUPE. As a result of this transfer preferential claims for arrears of pay and holiday pay have been mitigated.

## **The Joint Administrators' Statement of Proposals**

We understand that there are outstanding pension contributions totalling £712 relating to payroll for January 2023. Of these outstanding contributions, £445 relates to employee contributions and therefore have primary preferential status. The remaining balance relates to unpaid employer contributions and will rank as an unsecured claim in the administration.

The Joint Administrators will submit a claim for all outstanding pension contributions to the RPS. The RPS will pay the arrears to the Company's pension scheme and submit a claim for the total balance in the Administration.

There are no other known preferential claims. It is anticipated that primary preferential creditors will be paid in full.

### **Secondary Preferential Claims**

With respect to insolvencies commencing on or after 1 December 2020, HMRC will rank ahead of floating charge holders and unsecured creditors in respect of certain unpaid taxes that the relevant company collects on behalf of HMRC. These taxes are known as priority taxes and include:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme Deductions; and
- Employees NI contributions

Company records detail an amount of £132,211 that is due to HMRC comprising of unpaid PAYE, VAT and NI contributions.

We anticipate a claim will be received from HMRC in due course which will confirm the total amount owed to HMRC. We anticipate that there will be sufficient realisations to enable a distribution to HMRC.

### **Prescribed Part**

- 6.7 The Act requires administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.8 In this case, the prescribed part provision will not apply, as the secured creditor has been paid in full from debtor recoveries and thus there will be no residual liability due under its floating charge.
- 6.9 The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because in any event there will be no Prescribed Part.
- 6.10 In summary, it is anticipated that there will be no Prescribed Part due to the secured creditor being paid in full under its fixed charge.

## **7. The Joint Administrators' Fees**

7.1 The Joint Administrators propose to fix their fees on the following basis:

- (i) A set amount of £88,000 for the administration

## **The Joint Administrators' Statement of Proposals**

7.2 The Estimated Outcome Statement at Appendix VIIA provides an overview of the financial benefit that this work is expected to bring to creditors.

7.3 Creditors may access a Guide to Administrators' Remuneration effective from 1 April 2021 at <http://www.quantuma.com/guide/creditors-guide-fees> or a hard copy will be provided on request free of charge.

### **8. The Joint Administrators' Expenses**

8.1 Attached at Appendix VIIA are details of the expenses that the Joint Administrators expect to incur in the Administration.

### **9. The Joint Administrators' Discharge**

9.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

### **10. Approval Process**

#### **Approval of the Statement of Proposals**

10.1 Attached at Appendix IX is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIIA, which sets out in detail what further work the Joint Administrators propose to undertake.

10.2 The Joint Administrators consider that neither of the first two Administration objectives can be achieved. Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

10.3 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

10.4 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

#### **Other Decisions**

10.5 The Joint Administrators are inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee; and
- The timing of the Joint Administrators' discharge from liability

In the event that a creditors' committee is not established:

- The basis on which the Joint Administrators' fees shall be fixed; and
- The approval of the unpaid pre-Administration costs

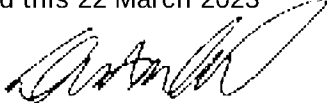
10.6 Attached at Appendix X are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

Should you have any queries in regard to any of the above please do not hesitate to contact Matt Wright on 01615 189 612 or by e-mail at [Matt.Wright@quantuma.com](mailto:Matt.Wright@quantuma.com).

Dated this 22 March 2023

A handwritten signature in black ink, appearing to read 'Frank Ofonagoro', written over a horizontal line.

Frank Ofonagoro  
Joint Administrator

Frank Ofonagoro and Jeremy Woodside were appointed Joint Administrators of Curer-Chem Limited on 14 February 2023. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.



**The Joint Administrators' Statement of Proposals**

Appendix I: Definitions

the Act	The Insolvency Act 1986
BPA	Business Purchase Agreement
CAM	Cerberus Asset Management
Company	Curer-Chem Limited (in Administration)
Contingent Asset	Anti-embarrassment provision included in the BPA dated 14 February 2023 for 20% of any proceeds received from a sale of the Purchaser's business within the next 12 months that exceed the amount paid as part of this pre-packaged sale (i.e. £70,000).
the Court	High Court of Justice Business and Property Courts in Manchester
CAM	Cerberus Asset Management
CRM	Cerberus Receivables Management
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOS	Estimated Outcome Statement
HMRC	HM Revenue & Customs
Intellimar / the Purchaser	Intellimar Limited
Joint Administrators	Frank Ofonagoro and Jeremy Woodside
Novuna / Secured Creditor	Hitachi Capital (UK) Plc t/a Novuna Business Cash Flow
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
ROT	Retention of Title
RPS	The Redundancy Payments Service
The Rules	The Insolvency (England & Wales) Rules 2016
the Seller	Mike Rose
SIA	SIA Advisory
SIP	Statement of Insolvency Practice (England & Wales)

**The Joint Administrators' Statement of Proposals**

Appendix II: Statutory and Financial Information

Company name	Curer-Chem Limited
Previous name(s)	N/A
Trading name(s)	Hygienique
Proceedings	In Administration
Court	High Court of Justice Business and Property Courts in Manchester
Court reference	CR-2023-000135
Date of appointment	14 February 2023
Appointed by	The Director
Joint Administrators	Frank Ofonagoro and Jeremy Woodside Quantuma Advisory Limited Third Floor, 196 Deansgate, Manchester, M3 3WF
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	c/o Quantuma Advisory Limited, Third Floor, 196 Deansgate, Manchester, M3 3WF
Company number	01837716
Incorporation date	02/08/1984
Company Secretary at date of appointment	Mike Rose
Directors at date of Appointment	Mike Rose
Directors' / Secretary's shareholdings	None

**The Joint Administrators' Statement of Proposals**

## Summary Profit and Loss Account

	Draft Management Accounts FY22	Statutory Accounts FY21	Statutory Accounts FY20
	£	£	£
Turnover	1,674,538	1,485,192	1,934,040
Cost of Sales	(1,102,302)	(954,156)	(1,262,681)
Gross Profit	572,236	531,035	671,359
Gross Margin %	34%	36%	35%
Other income	8,962	11,819	23,527
Other Expenses	(550,512)	(489,742)	(506,356)
(L)/EBITDA	30,686	53,112	188,530

## Summary Balance Sheet

	Draft Accounts as at 30 Sept 22	Statutory Accounts as at 30 Sept 21	Statutory Accounts as at 30 Sept 20
	£	£	£
Fixed Assets			
Tangible assets	8,309	10,118	27,660
Current Assets			
Stock	193,477	199,561	290,241
Debtors	1,061,720	998,498	304,437
Cash	31,865	67,466	708,501
	1,287,062	1,265,520	1,303,179
Current liabilities	(236,900)	(329,658)	(878,738)
Non-Current liabilities	(591,474)	(500,000)	-
Provisions		(1,922)	(5,255)
Total Liabilities	(828,374)	(831,580)	(883,993)
Net Assets	466,997	444,058	446,846

## **The Joint Administrators' Statement of Proposals**

### **Appendix III: Statement of Pre-Administration Costs**

Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered Administration but with a view to its doing so.

This statement outlines those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

On 11 January 2023 the directors agreed with the proposed Joint Administrators that Quantuma Advisory Limited be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing the Company into Administration.

Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. SIA were engaged to assist by providing valuation advice in relation to the Company's assets, providing advice on the marketing process and providing advice on offers received. CRM were engaged to provide a valuation of the Company's book debts and provide recommendations for any offers to be received. CAM were engaged to value the Company's goodwill and recommend the offer made for acceptance.

JMW, were engaged to draft an asset purchase agreement and to agree its terms with the prospective purchaser. JMW were also instructed to assist with the preparation and filing to the Notice of Intention to appoint an Administrator and the Notice of Appointment of Administrator. This work was expected to have a financial benefit for creditors, as the pre-packaged sale resulted in the transfer of 8 of the Company's employees to the Purchaser which resulted in a significantly smaller primary preferential claims which will in turn result in a better return to the preferential creditors.

Following this statement is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration.

Included within Appendix IX are Quantuma Advisory Limited's charge-out rates and bases of expenses.

As confirmed above, JMW were instructed on 31 January 2023 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a time costs basis and consequently costs of £10,000 were incurred in the pre administration period in connection with the following activities:

- Drafting and filing the NOI document
- Serving the NOI on all relevant parties
- Advising the proposed administrators in respect of their appointment
- Drafting and filing the Notice of Appointment document
- Drafting and updating sale of business documentation
- Serving the Notice of Appointment on all relevant parties

JMW have incurred expenses of £56.60 in relation to searches and filing fees.

As confirmed above, SIA were instructed on 1 February 2023 to provide valuation advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a time costs basis and consequently costs of £4,377.99 were incurred in the pre administration period in connection with the following activities:

- Initial instruction discussion with Quantuma Advisory

## The Joint Administrators' Statement of Proposals

- Review of the Company's fixed asset register
- Attendance at the Company's premises to prepare a valuation of the Company's stock and office furniture and equipment
- Follow up calls in respect of the valuation conducted and offer received
- Recommendations set out in respect of considering the offer from the Purchaser in the wider context of the Company's financial position

As confirmed above, CRM were instructed on 2 February 2023 to provide valuation advice to the Company and the proposed Administrators in respect of the Company's debtor ledger. It was agreed that their services would be provided on a fixed cost basis and consequently costs of £3,000 were incurred in the pre administration period in connection with the following activities:

- Initial instruction discussion with Quantuma Advisory
- Reviewing the Company's debtor ledger
- Liaising with the director to discuss the current position of the ledger, ageing and any doubtful debtors
- Follow up calls in respect of the valuation conducted and offer received
- Recommendations set out in respect of considering the offer from the Purchaser in the wider context of the Company's financial position

As confirmed above, CAM were instructed on 9 February 2023 to provide valuation advice to the Company and the proposed Administrators in respect of the Company's goodwill. It was agreed that their services would be provided on a fixed cost basis and consequently costs of £3,000 were incurred in the pre administration period in connection with the following activities:

- Initial instruction discussion with Quantuma Advisory
- Reviewing the Company's financial statements
- Discussing and reviewing a summary of the Company's financial position in the context of an offer for the Company's goodwill
- Follow up calls in respect of the valuation conducted and offer received
- Recommendations set out in respect of considering the offer from the Purchaser in the wider context of the Company's financial position

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

A summary of the total costs incurred together with details of those which were paid pre-Administration and the amounts remaining outstanding, follows below:

	Total cost incurred £	Amount already Paid £	Amount Outstanding £
Administrators' pre-administration Remuneration	23,138.75	Nil	23,138.75
Administrators' pre-administration Expenses:			
Legal costs - JMW	10,056.60	Nil	10,056.60
Valuation Agent's costs - SIA	4,377.99	Nil	4,377.99
Valuation Agent's costs - CRM	3,000.00	Nil	3,000.00
Valuation Agent's costs - CAM	3,000.00	Nil	3,000.00
Total Unpaid Pre-Administration Costs Outstanding	43,573.34	Nil	43,573.34

I am seeking to recover the total unpaid pre-Administration costs and expenses scheduled above as an expense of the Administration.

**The Joint Administrators' Statement of Proposals**

The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

Pre appointment time costs

Classification of Work Function	Total Hours	Time Cost (£)	Average Hourly Rate (£)
General administration	2.20	1,030.00	468.18
Initial advice	33.00	14,210.00	430.61
SIP16 Sale	21.85	7,348.75	336.33
Dealing with creditors/directors/employees	0.10	25.00	250.00
Appointment documentation	2.10	525.00	250.00
Other pre-appointment activities	0.6	150.00	250.00
Total Hours / Costs	59.85	23,138.75	390.53

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

Appendix IV: SIP16 Statement

High Court of Justice Business and Property Courts in Manchester Court  
CR-2023-000135

Curer-Chem Limited  
In Administration

## PRE-PACK SALE DISCLOSURE

Frank Ofonagoro and Jeremy Woodside  
Joint Administrators

Quantuma Advisory Limited  
Third Floor, 196 Deansgate, Manchester, M3 3WF  
0161 6949144



In accordance with SIP16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued to realise the Company's property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

### The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, Quantuma Advisory Limited acted as advisors to the director in relation to the options for the Company. For the avoidance of doubt, neither Quantuma Advisory Limited nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Quantuma Advisory Limited took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

### Initial Introductions

Quantuma Advisory Limited was initially approached by the director on 30 January 2023 to help advise on the options available for the Company, as it was deemed to be insolvent.

### Pre-appointment Matters

In addition to advising on the Company's options, our advice covered potentially marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. No fees have been agreed in respect of my pre-appointment advice. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 2 February 2023.

The Company was incorporated in 1984 and its principal activity is the sale of cleaning products and safety clothing. It trades from leasehold premises at 3 Missouri Avenue, Salford, Manchester, M50 2NP and employs 8 staff.

The Company historically traded profitably and in June 2021 the business was sold to two private investors ("the acquirers") for a sum of £1m by the then 100% shareholder, Mike Rose. The

consideration included an amount paid on completion totalling £800k and a proportion of deferred consideration totalling £200k payable over a two year period in 8 quarterly instalments of £25k. Mr Rose was granted security by the acquirers in the form of a share pledge over the shares of the Company in the event of any default by them as regards payment of the deferred consideration.

However, by late 2022 following repeated requests by Mr Rose for payment of successive quarterly instalments of the deferred consideration which the acquirers had defaulted on Mr Rose had little option but to enforce his share charge over the shares of the Company and on 3 November 2022 he appointed Receivers over the Company's shares in order to seek to realise any value that might be inherent in the shares and ultimately try to compel the acquirers to pay the outstanding deferred consideration owed to Mr Rose.

Whilst seeking the payment of the deferred consideration from the acquirers, Mr Rose, who remained a director of the Company became increasingly concerned that the Company was unable to service the increased debt burden (an invoice discount finance facility, two CBILS loans and asset finance funding) placed on it following its acquisition by the acquirers, though the Company remained profitable. Furthermore, the Company had built up arrears to HMRC for unpaid PAYE/VAT of c.£70k and to its Landlord for the sum of c.£16k.

Mr Rose's understanding was that the acquirers intended to recapitalise the Company shortly following their acquisition to reduce the leverage on its balance sheet and better position it for profitable growth. However, at the point of the acquirers' default on paying the first instalment of the deferred consideration, there was no signs that any equity investment would be forthcoming to de-leverage the Company.

The Company's increasing difficulty servicing its debt led its Invoice Finance provider to become concerned with the Company's prospects and ability to survive as a going concern. The Company's position continued to deteriorate leading to it requiring support by its Invoice Finance provider above levels available under its facility. By the end of January 2023, the Company's Invoice Finance provider was forced to halt further advances of funds from the Company's facility, which meant that the Company had become unable to pay its debts as and when they fell due and was therefore insolvent in accordance with S123 of the Insolvency Act 1986 (as amended). Without the prospect of an immediate significant injection of working capital to meet short term creditor obligations, the Company's board of directors had no alternative other than to consider a formal insolvency process of administration to protect the interests of creditors. The board resolution nominated Frank Ofonagoro and Jeremy Woodside to act as Joint Administrators.

The Company granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Debenture	Hitachi Capital (UK) plc	11 June 2021

Following the declaration of the Company's insolvency, Mr Rose, indicated that he would be interested in purchasing the Company's business and assets via a pre-packaged administration. By this stage the Company's two other directors (also the acquirers) had resigned.

Due to the Company's financial position and acknowledgement that a formal insolvency process was required, a Notice Of Intention to Appoint Administrators ("NOI") was filed with the court on 3 February 2023. The NOI enabled the Company to benefit from an interim moratorium, which afforded protection of the Company's assets from any enforcement action.

Alternative courses of action considered by the Joint Administrators

The options listed below were considered with Mr Rose.

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

The Company's shareholder and Invoice Finance provided confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

### **Company Voluntary Arrangement ("CVA")**

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

Although a CVA would give the Company some immediate relief from creditor pressure, without securing additional funding, the board is not confident that the Company would be successful in trading through its difficulties. Additionally given creditor pressure, there is no guarantee a CVA would be accepted by the Company's creditors.

Furthermore, the CVA process can take c.2-3 months to implement and therefore there remains the risk of failure if cash reserves are insufficient to allow the business to continue to trade during this time and no further support from elsewhere is forthcoming.

### **Liquidation**

The board could have placed the Company into Creditors Voluntary Liquidation ("CVL") or allowed the Company to be placed into Compulsory Liquidation, which would have resulted in the closure of the business and redundancy of all staff.

On the cessation of trade, the physical assets would have been sold on a forced sale ex-situ, resulting in lower realisations, as well as incurring costs of removal and sale.

Closure of the business may have also impacted the level of realisations from the Company's debtor ledger.

All employment contracts would terminate in a liquidation, which would have given rise to claims in respect of wages, holiday pay, redundancy and payment in lieu of notice.

In a liquidation, all leasehold properties would have been handed back to the landlord too, which would result in claims for remaining rent under the leases, dilapidations and other costs.

Overall, placing the Company into liquidation would have resulted in a worse overall position for creditors.

### **Pre-packaged Administration Sale**

There was insufficient working capital and no prospect of obtaining new funding to allow medium-term trading to continue. Therefore, a sale of the business and assets, by way of a pre-packaged sale, was considered necessary to allow the following:

- Maximise asset realisations – enhanced asset realisations for the Company's physical assets on an in-situ basis. A business sale also facilitates the continuity of trade and minimal disruption to business, which may result in enhanced debtor collections.
- Preservation of Intangible Assets – a pre-packaged sale would allow for a sale of the goodwill and intellectual property rights of the Company, which may not have been achieved if the Company ceased to trade. It is critical to maximising realisations, particularly from goodwill, that there is minimal disruption to trading. Trading the business in administration would not have guaranteed an improved offer, and may, conversely have devalued goodwill.
- Mitigation of employee claims and preservation of employment – a sale will enable the transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations 2006

("TUPE"). The transfer of employment to the purchasing company, ensures 8 members of staff have full continuity of employment rights, which mitigates claims in the Administration.

Claims that would ordinarily arise on cessation of trade and/or redundancy for arrears of pay, accrued but unpaid holiday pay, payment in lieu of notice and redundancy pay do not occur. In this case 8 employees were transferred the purchasing entity, mitigating all of these potential claims.

- Mitigation of Landlord liabilities - a pre-packaged sale may allow a purchaser to enter into negotiations with the landlord in respect of future occupation, potentially mitigating claims for dilapidations and clearance costs.

In the opinion of the Joint Administrators' agents and advisors, a sale of the business and assets would result in a better outcome for creditors due to the enhanced level of asset realisations, available in situ rather than on a forced sale basis.

### ***The Joint Administrators' Options on Appointment***

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's secured creditor, Hitachi Capital ("Hitachi"), was contacted and kept apprised of developments in respect of the intended pre-packaged administration. Hitachi did not raise any objections to the proposed strategy and duly provide consent to the appointment following receipt of service of the NOI.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company.

### **Marketing of the Business and Assets**

The marketing of the business and assets was initially discussed with the board as part of the requirements of the insolvency regulations to test the market to achieve maximum asset realisations. The board was asked to advise of any marketing conducted by the Company prior to approaching Quantuma Advisory Limited for advice and we were advised that none had been undertaken by the Company.

It was considered that marketing the business to competitors would be detrimental to potential asset realisations because the Company's customers did not have a contractual relationship with the Company; repeat business was based on the relationships with staff and therefore they could easily transition to competitors. Marketing the business to competitors would have rapidly dissipated any value for the Company's goodwill, which was corroborated by the advice of our agents (below). In light of this, the Joint Administrators decided not to undertake a marketing process as would normally be their preference .

### **Valuation of the Business and Assets**

#### **Details of Valuers/Advisors**

#### **SIA Group Asset Ingenuity Limited t/a SIA Advisory ("SIA")**

SIA, RICS registered valuers, were instructed on 1 February 2023 to prepare valuations of the Company's physical assets, including stock, fixtures & fittings and plant and machinery.

SIA have confirmed their independence to act and have confirmed that they hold the requisite level of professional indemnity insurance. In addition, SIA have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the assets.

#### **Cerberus Receivables Management (“CRM”)**

CRM who are experienced debt collection agents, were instructed by the proposed Joint Administrators on 2 February 2023 to prepare an indicative valuation of the Company’s book debts in order to assist the proposed Joint Administrators with any offers that may be received for the Company’s funded debtor ledger.

CRM have confirmed their independence to act and have confirmed they hold the requisite level of professional indemnity insurance. In addition, CRM have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the assets.

#### **Cerberus Asset Management (“CAM”)**

CAM are asset valuers supported by RICS registered valuers, were instructed on 9 February 2023 to prepare valuations of the Company’s goodwill.

CAM have confirmed their independence to act and have confirmed they hold the requisite level of professional indemnity insurance. In addition, CAM have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the assets.

The following valuations were received from the agents detailed above:

	Forced Sale £	Going Concern £	Actual Sale Price £
Fixed charge assets			
Goodwill	n/a	20,000	50,000
Floating charge assets			
Plant & Machinery	2,000	5,000	5,000
Stock	2,000	7,000	15,000

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place. The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

The valuation of goodwill acknowledged that it is extremely unlikely that any material value would be achieved if the goodwill was marketed to a third party and at best a suitable party may pay a maximum of £20,000. The offer from the purchaser exceeds this valuation and is therefore acceptable.

The review of the debtor ledger by CRM acknowledged that the debtor ledger is expected to achieve a high percentage of recovery and significant equity/surplus funds above the amount due to Hitachi, which would require a substantial offer to be recommended for acceptance. As such it was deemed more appropriate to suggest a collection fee for the purchasing entity instead, which would enable continued relationships with customers and enhanced recoverability of the ledger.

The sale price achieved for the business and assets compares favourably with the above valuations.

## The Transaction

### The purchaser and related parties

The Joint Administrators, Frank Ofonagoro and Jeremy Woodside, completed a sale of the Company's business and assets immediately following their appointment on 14 February 2023.

The Purchaser, Intellimar Limited (CRN: 13352878) ("the Purchaser"), is a connected party within the definitions of Section 249 and 435 of the Act by virtue of Michael Rose and Caroline Rose being shareholders and directors of both the Company and the Purchaser.

The transaction is between the insolvent Company and the Purchaser only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier.

### The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

### The sale consideration

The sale consideration totalled £70,000 plus VAT, which was all paid on completion.

The sale consideration has been allocated to the following asset categories:

	£		
	Fixed Charge	Floating Charge	Total
Goodwill	50,000	-	50,000
Intellectual Property	1	-	1
Customer Contracts	-	1	1
Business Records	-	1	1
Stock	-	15,000	15,000
Plant & Machinery	-	4,997	4,997
	<u>50,001</u>	<u>19,999</u>	<u>70,000</u>

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and in consultation with the agents.

There were 8 employees who were transferred as part of the Sale.

The consideration for the Sale has been received in full. As part of the agreement, the Purchaser has also agreed to act as a debtor collection agent for the Joint Administrators and will charge a fee of 20% plus VAT on all monies collected from book debt receipts.

The sale agreement also includes an anti-embarrassment clause that stipulates that the Purchaser will be required to pay 20% of any proceeds received that exceed the amount paid as part of this pre-packaged sale (i.e. £70,000) from a sale of the business within 12 months of the date of the sale agreement, being 14 February 2023. Any funds received under this clause will be available for the benefit of the administration estate.

There were no other options, buy-back arrangements or similar conditions attached to the contract of sale.

A licence to occupy was granted in respect of the leasehold premises at 3 Missouri Avenue, Salford, Lancashire M50 2NP for a period of three months whilst negotiations with the landlord of the property are progressed.

The Sale is not part of a wider transaction.

The following assets were excluded from the sale:

- Cash at bank
- Book Debts
- Any other assets not detailed above

Connected Person Transactions

A viability statement was requested from the purchaser, but one was not provided.

### ***The Evaluator's Report***

Regulations require connected persons who are proposing to purchase all or a substantial part of the business or assets of a company via a pre-pack to obtain a report from an independent party called an evaluator.

I attach a copy of the evaluator's report. The evaluator was satisfied that the consideration and grounds were reasonable.

### **OTHER MATTERS**

The effect of the Administration is to provide protection to the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine queries. However, it would assist with the preparation of an accurate statement of the Company's affairs if you will forward a statement of your account made up to. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company's business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information which may be relevant, please contact me as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

"A Creditors' Guide to Administrators' Remuneration" effective from 1 April 2021 is available to download at <http://www.quantuma.com/guide/creditors-guide-fees>. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

Should you wish to know more about the insolvency process in general, I recommend that you visit [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk).



Pursuant to The Administration (Restrictions on Disposal etc. to  
Connected Persons) Regulations 2021

Date of report: 09 February 2023

Prepared by:  
Compass Evaluator Reports Limited  
James House  
Yew Tree Way  
Golborne  
Warrington  
WA3 3JD

Company Number 13288603

Kevin Murphy  
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1. Introduction and Background
2. Executive Summary
3. The Requirements for Acting as Evaluator
4. The Connected Person(s)
5. The Relevant Property
6. The Evaluator's Decision
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## **Appendices**

- Appendix 1 Evaluator Bio

**The following abbreviations or references are used in this report:**

The Act	The Insolvency Act 1986
The Regulations	The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
The Company	Curer-Chem Limited
Substantial disposal	One that would constitute a disposal, hiring out or sale to one or more connected persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator's opinion, all or a substantial part of the company's business or assets and includes a disposal which is effected by a series of transactions.
Relevant property	This means the property being disposed of, hired out or sold by the substantial disposal.
Connected Person(s)	As defined in paragraph 60A(3) of Schedule B1 of the Act. (See Section 4)
Proposed Administrators	Frank Ofonagoro and Jeremy Woodside from Quantuma, authorised and licenced by the IPA and ICAEW respectively.
Valuation agents	<p>Simon Jones (MRICS) from SIA Group Ingenuity - an industry specialist valuation and asset realisation business - valued the Company tangible assets.</p> <p>Andrew Roe from Cerberus Asset Management valued the Company's goodwill.</p> <p>Tony Roche from Cerberus Receivables has valued the Company's debtor book and a realisation strategy.</p> <p>The valuation agents possess the requisite knowledge of the market for the type of asset being valued and the skills and understanding necessary to undertake the valuation competently.</p>
Purchaser	Intellimar Limited
TUPE	Transfer of Undertaking (Protection of Employment) Regulations 2006
Secured Creditors	Hitachi Capital (UK) PLC

## 1. INTRODUCTION AND BACKGROUND

- 1.1 I, Kevin Murphy, Managing Director of Compass Evaluator Reports Limited, confirm that I meet the requirements for acting as an Evaluator specified in Part 3 of the Regulations. (See further detail in Section 3.)
- 1.2 This report has been requested by the Purchaser (via Michael John Rose as director). The Purchaser, in relation to the substantial disposal, is considered connected person in relation to the Company. See Section 4 for details of all those identified as connected persons of the Company in relation to the substantial disposal.
- 1.3 I am required to determine whether I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.
- 1.4 The Company was incorporated in 1984 and its principal activity is the sale of hygiene products. The Company trades from leased premises and employs 8 staff. Trading was historically profitable and in June 2021 a sale of the business was completed to 2 private investors. The consideration included an amount paid on completion and a proportion of deferred consideration payable over a 2 year period. The deferred consideration has not been paid and the director (and former owner) has appointed receivers over the Company shares in respect of the non payment of the deferred consideration. The investor acquirors, as part of the 2021 acquisition, introduced significant debt into the Company in the form of an invoice finance facility and two CBILS loans.
- 1.5 The Company is not now in a position to maintain the capital repayments on the debt introduced, and has built up arrears of rent and liabilities to HMRC, and at the end of January the Secured Creditor stopped advancing funds under the facility, such that there is no funding currently available to the Company.
- 1.6 Turnover for the Company in the years to 30 September 2019 and 2020 was c£1.9m in each year with profits before tax of c£150K and £170K respectively. In the years to September 2021 and 2022, the sales have reduced to £1.485M and £1.67m respectively, with modest operating profits of £33K and £22K respectively. The balance sheet is solvent, but it is propped up by an inter company loan due from the parent (as a result of the debt introduced to fund the 2021 acquisition). This inter company loan cannot be repaid, and the Company is insolvent.
- 1.7 The director has sought independent advice in respect of the available options given the position. The Company is currently unable to pay its debts as and when they fall due, and the director of the Company has concluded that the Company is no longer able to continue trading as a going concern. The appointment of the Proposed Administrators is understood to be imminent.
- 1.8 The Proposed Administrators and their valuation agents have been seeking to best safeguard the continuity of operations and employment and maximise the funds available to creditors of the Company. An offer has been recommended for acceptance by the valuation agents as being in the interests of creditors.

## 2. EXECUTIVE SUMMARY

2.1 I have reached the following conclusion in this case:

..

### CASE MADE

**I AM SATISFIED** that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

..

2.2 The factors considered in forming this opinion are detailed in full within my report at section 6.

## 3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

3.1 I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.

3.2 I am satisfied that I have the relevant knowledge and experience required to act as Evaluator.

3.3 A summary of my qualifications and experience is attached at Appendix 1 to this report.

3.4 The Proposed Administrators have not raised any objections to my suitability as an Evaluator.

3.5 I confirm that I meet the requirements of independence within Regulation 12 of the Regulations as follows:-

- I am not connected with the Company
- I am not an associate of the connected person or connected with the connected person
- I do not know of, or have reason to believe that I have a conflict of interest with respect to the substantial disposal
- I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Company or a connected person in relation to the Company –
  - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
  - In relation to corporate rescue or restructuring

3.6 I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13 of the Regulations.

3.7 I confirm that I meet the requirements as to insurance specified in Regulation 13 of the Regulations.

- 3.8 Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:

Axa Insurance Plc.

Policy number AC SPI 4331301.

Expiry date 22 August 2023.

Professional indemnity cover limit of £1,000,000 for any one claim.

Risks covered: Misc Professional Indemnity breach of professional duty.

Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

#### 4. THE CONNECTED PERSON(S)

- 4.1 Connected persons, as defined in paragraph 60A(3) of Schedule B1 of the Act, include the following:

Name of connected person	Nature of the connection under Para 60A(3) of Schedule B1
Michael John Rose	Director of the Company, and director and shareholder of the Purchaser. Also landlord of the premises.
Intellimar Limited	Purchaser

## 5. THE RELEVANT PROPERTY

- 5.1 The assets being sold are considered a substantial disposal pursuant to regulation 3 of the Regulations. The assets have been professionally valued by the Proposed Administrator's appointed valuation agents.

The assets which the Purchaser is acquiring are as follows:

Goodwill, IPR, trademarks, domains, Business name, brands and website

Stock

Chattel assets

Office furniture, fixtures and fittings and equipment

Total consideration for the above assets is stated to be £70,000, all of which is payable on completion.

The Company's book debts are a substantial asset of the Company and are specifically excluded and they will be realised by the Secured Creditor in due course with assistance being provided by the Purchaser. Any surplus will be available to the Proposed Administrators. A collection fee of 20% has been agreed with the Purchaser to collect the ledger once the Secured Creditor has been fully repaid.

## 6 THE EVALUATOR'S DECISION

In accordance with regulation 7 of the Regulations, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

My principal reasons for this opinion are as follows:

The assets have been professionally valued by the proposed administrator's appointed valuation agents, who possess the requisite knowledge of the market for the type of asset being valued. The offer has been recommended for acceptance by the valuation agents. The valuation agents are recognised professionals in the industry and are regulated by the industry professional bodies.

The Proposed Administrators and the valuation agents have been seeking to maximise realisations from the Company's assets. In the timescale available to the Proposed Administrators, necessitated by the Company's financial position and the need to provide certainty to all stakeholders, an offer has been received from a connected party which is considered the best achievable in the circumstances by the valuation agents and the Proposed Administrators.

The consideration offered for the specific assets being acquired is in excess of the valuation agents' opinion of the market value of the assets on an ex situ / cessation of trading basis, prior to any collection, storage and selling costs. A significant proportion of the consideration (£50K) is apportioned to goodwill and IPR, which would be lost (or significantly reduced) if the Company ceased to trade.

The proposed pre pack therefore provides for better realisations than would be the case on a break up. Based on a review of the Proposed Administrators Estimated Outcome Statement, the pre pack deal provides a better outcome for the Company's Secured and preferential creditors.

The offer excludes book debts which are a substantial asset of the Company, and continuity of operations will maximise recoveries and allow for full repayment to the Secured Creditor. The debtor's ledger will be collected with assistance being provided by the Purchaser. Continuity of trading will best maximise the realisations from the Company debtor book.

The 8 employees associated with the business being acquired will transfer under TUPE to the Purchaser, avoiding a significant claim (c£110K) against the National Insurance Fund.

The Purchaser will continue to occupy the trading premises and in the process mitigate against a potential claim in respect of arrears of rent, future rent and dilapidations.

The alternative to the current pre packaged sale is for the Company to be placed into liquidation. That will however result in a reduction in value for the business and assets of the Company, given the nature of the Company's activities, and will also lead to increased claims from creditors.

As the consideration is all payable on completion, I have not had sight of projections for the Purchaser, but am advised that the acquisition is by the Purchaser in a personal capacity, and he will not be liable for the historic secured creditor loans. I offer no opinion on the viability of the Purchaser.

In forming my opinion, I have relied on my discussions with, and information provided by, the connected persons, the Proposed Administrators, and the valuation agents. In particular, I have relied on the following:

- Compass Evaluator Reports application/information request form
- Valuation report from the valuation agents
- Offer letter
- Recommendation from the agents
- Financial information for the Company
- Correspondence with the Proposed Administrators
- Estimated Outcome Statement and draft S&P 16 disclosure.

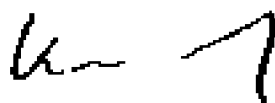
I have also relied on freely available information in the public domain. I have not carried out an audit of the information received.

I have relied upon the accuracy of the information as provided to me in forming my opinion. The Proposed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into a pre-packaged sale is for them to determine. As such, I offer no opinion on the decision to enter into a pre-packaged sale.

## **7 PREVIOUS EVALUATOR REPORTS**

7.1 I am advised that no previous report exists in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

**For and on behalf of  
Compass Evaluator Reports Limited**



**Kevin Murphy  
Evaluator**

**Date: 09 February 2023**



## Appendix 1

### Kevin Murphy Bio

- Kevin originally trained as a lawyer, undertaking a law degree where he achieved a 2:1 classification. He also successfully completed the Law Society Final Exams.
- Kevin subsequently entered the insolvency profession and is a licensed Insolvency Practitioner (currently non-appointment-taking). Kevin has over 25 years of experience of dealing with a wide range of insolvency matters.
- Spending much of his career with a national firm of insolvency specialists, Kevin progressed to Director of Insolvency, where he gained extensive experience of turnaround work, focussing on Company Voluntary Arrangements and Administration. Latterly, he headed up the firm's Administration team in the Manchester office.
- Kevin was responsible for many complex and challenging matters and had to navigate the issues of ensuring cases were progressed in an efficient manner, whilst remaining compliant with regulation and legislation.
- Utilising the extensive skill set developed as a result of his experience of turnaround and insolvency work, Kevin decided to focus his skills on solvent acquisitions and since 2017 has been an advisor to a buy and build acquisitions group.

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

Appendix V: **Director's Statement of Affairs**

# STATEMENT OF AFFAIRS

Company Name: Curer-Chem Limited (In Administration) ("the Company")  
Company Number: 01837718  
In the High Court of Justice Business and Property Courts in Manchester CR-2023-000135

Statement as to the affairs of (a) Curer-Chem Limited of c/o Quantum Advisory Limited Third Floor,  
196 Deansgate, Manchester, M3 3WF

on 14 February 2023, the date that the Company entered Administration


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## 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 14 February 2023, the date that the Company entered Administration

I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name Mr. Graham James Ross

Signed 

Dated 24/2/2023

## A – Summary of Assets

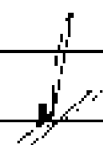
Assets	Book value	Estimated to Realise
Assets subject to fixed charge:		
	€	€
Goodwill		50,000
Intellectual Property		1
Book Debts	273812	260000
Less: Novuna		(13,157)
Fixed Charge Surplus		296,844
Assets subject to floating charge:		
Plant & Machinery	6563	4,997
Stock	178724	15,000
Cash & Cheques	2263	2,263
Parent Company Loan	794836	0
Business records		1
Customer Contracts		1
Uncharged assets:		
0		
	1,256,197	319,106
Estimated total assets available for preferential creditors		

Signature  Date 24/2/2023

# A1 - Summary of Liabilities

		Estimate £
Estimated total assets available for preferential creditors (carried from page A)	£	319,106
<b>Liabilities</b>		
Priority pre-Moratorium and Moratorium creditors	£	
Estimated deficiency/surplus available for preferential creditors		
Preferential creditors:-		319,106
Employees (number: <u>5</u> )	£	445
Pension contributions	£ 645	
Estimated deficiency/surplus available for secondary preferential creditors		318661
HMRC	£ 115,373	115373
Other secondary preferential creditors		
Estimated deficiency/surplus as regards secondary preferential creditors		203,288
Estimated prescribed part of net property where applicable (to carry forward)		
Estimated total assets available for floating charge holders		203,288
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges		203,288
Estimated prescribed part of net property where applicable (brought down)		
<b>Total assets available to unsecured creditors</b>		203,288
Unsecured non-preferential claims -	£	
Employees (number: <u>5</u> )	£ 267	267
Consumers who have paid in advance for goods or services (number: <u>1</u> )		
Other unsecured creditors	222765	152765
TRADE CREDITORS		
CBUs	371217	371217
Estimated deficiency after floating charge where applicable (brought down)		
Estimated deficiency/surplus as regards creditors		(320961)
Issued and called up capital	£ 104	104
Estimated total deficiency/surplus as regards members		(321065)

Signature



Date

24/2/23

**COMPANY CREDITORS (excluding employees and consumers)**

**Note:** You must include all creditors (excluding employees and certain consumers (see relevant page for definition of a consumer)) and indicate any creditors under hire-purchase, chattel leasing or conditional sale agreements and any creditors claiming retention of title over property in the company's possession.

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
A & A Brown Limited	Thomas House, Sells Street Hollins, HL1 4QE	720.77			
Allied Construction	Units 12/13, Orchard Trading Estate, Langley Road South, Pondickton, Salted, M6 6SN	59.01			
Allied Hygiene Systems	5 Centurion Way Eritch, Kent, DA18 4AF	29,857.61	R		
Apex Industrial Chemicals	Pottercut Dr, Altona, Aberdeen AB12 3HD	-6.00			
Arval U.K Limited	Arval Centre, Windmill Hill Swindon, SN5 6PE	1,259.59			
B & J Parr	Station Hill, Off Grove Street, Mansfield Woodhouse Nottinghamshire, NG19 8BZ	2,108.69	R		
Boeswill Limited	The Hub, Nobel Way, Wotton Birmingham, B6 7EL	1,943.93	R		
BME Packaging Limited	Unit 2, Cowling Business Park, Chinal Side, Cowling Brow, Chorley, PR6 0QL	11,832.88	R		
Catalonia Signs	Waverley Road, Mitchelston, Kirkcaldy, Fife, KY11 3NH	233.98			
Charles Bentley & Son Ltd	Central House, Monarch Way, Loughborough, Leicester, LE11 5TP	633.35	R		
Citron Hygiene	Unit 2, Burdon 22 Industrial Estate, Reg's Way, Conville Leicester, LE67 1JE	174.97	R		
Clover Chemical's	Clover House, Macclesfield Road, Whaley Bridge, High Peak, SK23 7DQ	6,112.92	R		
Credit Card Purchases		3,425.77			

*24/6/2*

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Davis & Moore	Textile House, Trufford Park Road, Trufford Park Manchester, M17 1N1	282.42	R		
Deb Disposables	Errol Road, Trufford Park, Manchester, M17 1PQ	2,212.40			
ISPD Local	15 <sup>th</sup> Floor, Castlemead, Lower Castle Street, Bristol, BS1 3AG	183.88			
Ebay (U.K.) Limited		-10.00			
Flaxon Merchant Services	P.O. Box 466, Brighton, BN50 9AW	-95.96			
Enterprise Rent a Car	Unit 6, Taurus Park, Europa Boulevard, Warrington, WA5 7ZT	202.54			
Essity U.K. Limited	Southfields Road, Dunstable, Bedfordshire, LU6 3EJ	11,276.43			
Euro Digital Systems Ltd	36 Kansas Avenue, Salford, M50 2GL	31.68			
Jena U.K. Limited	118 Astongrove Road, Yardley, Birmingham, B25 8EJ	822.48			
Everflow Water	Wynward Business Park, Wynard, TS22 5FG	145.05			
Fentex Limited	Units E1 - E3, Brown Farm Business Park, Thrapston Road, Evington, Cambridgeshire, PE28 0AE	804.12	R		
First Data Europe Ltd	Janus House, Endeavour Drive, Basildon, Essex	36.51			
Ford Lease	Oakwood Drive, Emersons Drive, Emersons Green, Bristol	696.72			
Fourstones Paper Mill	South Tyne Mill, Fourstones, Hexham, Northumberland, NE46 3SD	-60.00			
Fuel Genie	P.O. Box 6139, 1 Trinity Court, Broadlands, Wolverhampton, WV1 9RQ	604.44			
M.K. Associates Limited/ T.A. Giffard Newton	38 Chigwell Lane, Lougham, Essex, IG10 3NY	678.14	R		
Globus Limited	12, Trafford Point, Twinning Road, Trafford Park, M17 1SH	2,152.08	#		

24/2/23

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Guardian Limited	24 Pasture Lane, Leicester, LE1 4BY	439.12	R		
Hill Brush Co Ltd	Woodlands Road, Minc. Willesley, BA12 6BS	516.17	R		
Hoyle's Fire & Safety	Premier House, 2 Jubilee Way, Elland, West Yorkshire, HD3 9DY	0.10			
J.D. S Products	24 - 36 Tomlinson Road Business Park, Tomlinson Road, Lealand, PR25 2DY	1,369.61			
Lion Steel Equip Ltd	Johnson Brook Road, Hyde, Cheshire, SK14 4RB	336.20	R		
Lucart	Sentinel House, Enigma Business Park, Malvern, Worcestershire, WR14 1GL	12,926.23	R		
Magnum Packaging Ltd	Haverton Hill Road, Haverton Hill Industrial Estate, Dillingham, Sedgefield on Tees, TS23 1PZ	1,245.31	R		
M.G. Safety Limited	41 Windridge Road, Loughborough, Leicestershire, LE11 3BX	1,112.66	R		
Molder	9 Claisdale Point, Billingham, Nortingham, NG8 4GP	6,361.18	R		
Montague Lloyd	North Main Street, Charnesham, Falkirk, Stirlingshire, FK2 8HT	1,179.18			
Nalwest Bank Plc		2,050.02			
Nationwide Paper Products	Unit 3, Lambwood Hill Industrial Estate, Grimsley, Reading, Berkshire, RG7 1JF	1,653.12	R		
Northwood Hyg Products	Industrial Estate, Penryn, Near Carnarvon, Gwynedd, LL54 6DB	2,620.80	R		
Nurmiste International	Tupshole Road, Chard, Somerset, TA20 2GB	2,381.25	R		
Olfa Railwear	Navetvej 22 - 24, 7451 Slude, Denmark	416.76			
Opovo	Level 15, Citypoint One, Ropemaker Street, London, EC2Y 9AW	1,204.00			
Polyco Healthcare Ltd	South Fen Road, Bournie, Lincolnshire, PE10 0DN	589.20	R		

*[Signature]* 24/12/23



Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Poppies Europe Ltd	Poppies House, Unit 7, Cornwall Street, Parr Industrial Estate, Parr, St Helens, WA9 1QT	4,128.60	R		
Portwest Clothing Limited	Fields End Business Park, Thrusmore, Rotherham, South Yorkshire, S63 0JF	15,235.84	R		
Pro-Farma Suppliers		216.80			
Qualtex UK	Denton Hall Farm, Denton, M34 2SX	703.87	R		
Regal Polythene	Unit 2, Easter Park, Shell Green, Benbow Lane, Widnes, WA8 0GJW	4,801.20	R		
Right Choice Prop Maint	135 Bury New Road, Whitefield, M45 8QP	0.50			
Robert Scott & Son's	Oak View Mills, Greenfield, Oldham, OL3 7HG	9,279.12	R		
Mr M J Rose		20,250.00			
Rydal Communications	Elwes House, 9 Church Walk, Peterborough, PE1 2TP	197.05			
Safe T Supplies Ltd	Loughlin, IG10 9BS	1,201.92	R		
Salford City Council	Civic Centre, Cherry Road, Salford, M27	103.01			
SC Johnson Limited	Denby Hall Way, Denby, Derbyshire, DE5 8JZ	1,568.66	R		
Selden Research	Ashbourne Road, Duxton, SK17 9RZ	4,972.63	R		
Star Tissue UK Ltd	Star Industrial Estate, Unit K, Princess Street, Blackburn, BB2 2QR	34,158.73	R		
Stax Trade Centres	Holloway Drive, Wardley Industrial Estate, Worsley, M28 2LA	452.57			

*[Signature]* 24/6/23

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Sterling Safetywear Ltd	Crown House, 310 Wellington Road, Rushden, Northants, NN10 6PP	1,752.28	R		
Titan Safety Footwear	29 Cobden Street, Salford, M6 6WT	221.00	R		
Trullisafe Limited	Maya House, Western Road, Bracknell, Berkshire, RG12 1QP	310.44	R		
Trendline Products	Cupwood Farm, Dog Lane, Thrapwood, Malpas, SY14 7BY	1,598.40	R		
Truxex International	Third Avenue, Millbrook, Southampton, SO15 0LE	253.57	R		
Ultamate Industrial	Victoria House, Colliery Road, Wolverhampton, WV1 2KD	9,987.69	R		
Unack Clothing Ltd	Unit 1 & 2, Wellesley Court, Apsley Way, London, NW2 7HE	-1,736.24	R		
Unilva Gas	Hutwood Court, Bourne-mouth Road Eastleigh, SO53 3QB	-71.30			
Unilva Electric	Hutwood Court, Bourne-mouth Road, Eastleigh, SO53 3QB	-290.40			
Venacare HCS Ltd	1 Western Avenue, Matrix Park, Chorley, PR7 7NB	0.33			
Walker Brothers Ltd	Unit 3, Pinhole Business Park, Pinhole Road, Bury, BL9 7ET	1,101.64	R		
Wearwell UK Limited	Gagurin, Lichfield Road, Tamworth, Staffordshire, B79 7TN	423.60	R		
Yorkshire Cleaning Fabrics	Drakes Industrial Estate, Shay Lane, Ovenden, Halifax, HX3 6RL	5,378.02			

Signature



Date

29/12/23

# EMPLOYEE CREDITORS

**Note:** You must include all employees who have claims against the company (and indicate whether any are also creditors under hire-purchase, chattel leasing or conditional sale agreements and any claiming retention of title over property in the company's possession).

Name of employee creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
	5 PREFERENTIAL EMPLOYEE CLAIMS RELATING				
	EMPLOYEE				
	TO THE ARREARS OF PENSION CONTRIBUTIONS	448.26			
	5 UNSECURED EMPLOYEE CLAIMS RELATING				
	TO THE ARREARS OF EMPLOYER PENSION				
	CONTRIBUTIONS	267.14			

Signature




Date

24/1/2023

### CONSUMER CREDITORS


**Note:** You must include all creditors who are consumers (i.e. an individual acting for purposes that are wholly or mainly outside the individual's trade, business, craft or profession) claiming amounts paid in advance for the supply of goods or services (and indicate whether any are also creditors under hire-purchase, chattel leasing or conditional sale agreements and any claiming retention of title over property in the company's possession)

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £

Signature  Date 24/6/23

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Hygienique Limited	UNIT 2, MILL HILL INDUSTRIAL ESTATE, LEICESTER, LEICESTERSHIRE, LE19 4AU	104	104	
TOTALS				



Signature

Date 24.6.23

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

Appendix VI: Receipts and Payments Account

Curer-Chem Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 14/02/2023 To 22/03/2023 £	From 14/02/2023 To 22/03/2023 £
	SECURED ASSETS		
50,000.00	Goodwill	50,000.00	50,000.00
1.00	Intellectual Property	1.00	1.00
260,000.00	Book Debts	123,246.52	123,246.52
		173,247.52	173,247.52
	SECURED CREDITORS		
(13,157.00)	Novuna	15,160.69	15,160.69
		(15,160.69)	(15,160.69)
	ASSET REALISATIONS		
	Bank Interest Gross	7.71	7.71
1.00	Business Records	1.00	1.00
1.00	Customer Contracts	1.00	1.00
	Licence to Occupy Fee	10,125.00	10,125.00
4,997.00	Plant & Machinery	4,997.00	4,997.00
15,000.00	Stock	15,000.00	15,000.00
		30,131.71	30,131.71
	COST OF REALISATIONS		
	Return of LTO Fee	10,125.00	10,125.00
	Statutory Advertising	99.80	99.80
		(10,224.80)	(10,224.80)
	PREFERENTIAL CREDITORS		
(445.00)	Pension Schemes	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(115,373.00)	HMRC PAYE & VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(267.00)	Employees	NIL	NIL
(222,765.00)	Trade & Expense Creditors	NIL	NIL
(371,217.00)	Unsecured Loans	NIL	NIL
		NIL	NIL
(393,224.00)		177,993.74	177,993.74
	REPRESENTED BY		
	Bank 1 Current		191,537.22
	Fixed Ch Vat Receivable		436.56
	Vat Payable		(14,000.00)
	Vat Receivable		19.96
			177,993.74

**The Joint Administrators' Statement of Proposals**

## Appendix VII: Estimated Outcome Statement

	Estimated to Realise £
Assets specifically pledged	
Goodwill	50,000.00
Intellectual Property	1.00
Book Debts	260,000.00
Less: Nowuna	(15,160.69)
Collection fees	<u>(52,000.00)</u>
	<u>242,840.31</u>
Assets not specifically pledged	
Fixed charge surplus	242,840.31
Petty cash	1,037.13
Stock	15,000.00
Plant & Machinery	4,997.00
Business records	1.00
Customer contracts	<u>1.00</u>
	<u>263,876.44</u>
Costs of realisations	
Administrators' Fees - Pre-Appt	(23,138.75)
Pre-Appt Legal Fees	(10,000.00)
Pre-Appt Agents Fees - SIA	(4,288.00)
Disbursements	(89.99)
Pre-Appt Agents Fees - CRM	(3,000.00)
Pre-Appt Agents Fees - CAM	(3,000.00)
Post-Appt Agents Fees - CRM	(3,000.00)
Administrators' Fees - Post-Appt	(88,000.00)
Post-Appt Legal Fees	(5,000.00)
Accountancy fees	(5,000.00)
Expenses/Disbursements	<u>(554.00)</u>
	<u>118,805.70</u>
Amount Available for Pref Creditors	<u>118,805.70</u>
<u>Primary</u>	
EE pension contributions	<u>(445)</u>
	<u>118,360.70</u>
<u>Secondary</u>	
HMRC - VAT	(84,416)
HMRC - PAYE	(47,795)
Deficiency as per Preferential Creditors	<u>(13,850)</u>



## The Joint Administrators' Statement of Proposals

### Appendix VIIA: Breakdown of the Joint Administrators' Fee Proposal & Expenses Estimate

#### • EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' FEES ESTIMATE

A Set Fee basis in the sum of £88,000 is proposed in relation to the work categories indicated below.

Narrative explanations are given below in relation to each category of work which will be covered by the Set Fee proposed. A list of the activities under those categories that it is anticipated will be carried out is also provided.

The set fee proposed is considered a fair and reasonable reflection of the work undertaken and proposed to be undertaken in light of the scope of work carried out to date as set out above and the work proposed to be undertaken. Fixing the Joint Administrators' fees in this way provides creditors with certainty as regards the fees irrespective of developments in the Administration (although the Joint Administrators have a statutory right to seek creditors' approval to adjust the fee in the event that circumstances change materially) and, if the Joint Administrators were to charge their fees on the alternative basis of time costs incurred by them and their staff, it is very likely that this would result in a fee at least equal to, and likely in excess of, that proposed. On this basis, the Joint Administrators consider the proposed fee basis to be a fair and reasonable reflection of the work that they propose to undertake.

This Fees Proposal has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this as accurate as possible, it is based on the Joint Administrators' current understanding of the case and their knowledge and experience of acting as Joint Administrators in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

This Fees Proposal has therefore been compiled on the following assumptions

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no exceptional work will be required to realise any further assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration.

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Proposal. However in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

#### ADMINISTRATION & PLANNING

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Description of work undertaken	Includes
Administration & Planning	General planning matters.  Setting up the Joint Administrators' records.  Arranging collection of any required records.  Dealing with general correspondence and communicating with the director.

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Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements.  Advertising in accordance with statutory requirements.  Filing statutory notifications with the Pensions Regulator and Pension Protection Fund.
Obtaining a specific penalty bond.	
Setting up electronic case files and electronic case details on IPS.	
General Administration - Dealing with all routine correspondence and emails relating to the case. Dealing with all matters relating to Data Protection matters.	Dealing with Data Subject Access Requests.
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued.  Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case.  Periodic file reviews.  Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards.  Maintenance of statutory and case progression task lists/diaries.  Updating checklists.
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns.  Preparation and filing of Corporation Tax Returns.

**CREDITORS**

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or unsecured creditors, time will be spent in dealing with creditors' queries, assisting the employees in pursuing their claims via the RPS, dealing with retention of title claims and issuing statutory reports to creditors. [In addition, as a dividend to preferential creditors is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement.

Description of work undertaken	Includes
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone.  Review and prepare correspondence to creditors and their representatives via email and post.
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator.
Committee Reporting	Reporting to committee members.
Committee Meetings, Minutes & liaising with Committee members [If a committee is nominated].	Holding an initial meeting of the committee.  Seeking the committee's approval on case strategy.  Calling and holding meetings of the committee as required and the circumstances of the case dictate.
Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice.	Preparation of distribution calculation.  Preparation of correspondence to creditors announcing declaration of distribution.  Preparation of cheques/BACS to pay distribution.  Preparation of correspondence to creditors enclosing payment of distribution.

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	Seeking unique tax reference from HMRC, submitting information on PAYE/Ni deductions from employee distributions and paying over to HMRC.
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges.  Receipt and processing of claims from the Company's creditors. Claims are not being formally agreed at this stage as they will be agreed by a subsequently appointed liquidator should a dividend be payable to unsecured creditors.
Arrears of Pension Contributions	Collating the information in relation to arrears of all pension contributions.  Obtaining a Case Reference Number from the Redundancy Payment Service.  Preparing the RP15 and RP15A forms and circulating for signature.  Submitting completed RP15 documents to the RPS.
Secured Creditor Reports/Claims	Seeking solicitors' advice on the validity of secured creditors' claims.  Liaising with the Secured Creditor in respect of final balance outstanding on appointment.
Annual/Progress Reports	Preparation and submission of periodic progress reports to creditors – it is anticipated that the Administration will last for the standard 12 months, as such, in addition to this report there will be two progress reports which will be prepared during the lifetime of the case.
SIP 16 Disclosure	Drafting the SIP 16 Disclosure.  Emailing the SIP 16 to IPA.
Para 49 Administrators' Proposals	Drafting the Statement of Proposals.  Filing the Joint Administrators' Proposals with the relevant parties and with the Registrar of Companies.
Para 53 Report of Initial Meeting/Deemed Approval Documentation	Drafting post initial meeting/decision procedure documentation.

**INVESTIGATIONS**

The insolvency legislation gives the Joint Administrators powers to take recovery action in respect of what are known as antecedent transactions e.g. where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The Joint Administrators are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation.

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Description of work undertaken	Includes
Investigations	
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	Correspondence to request information on the company's dealings, making further enquiries of third parties.

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	<p>Reviewing questionnaires submitted by creditors and directors.</p> <p>Reconstruction of financial affairs of the company.</p> <p>Reviewing company's books and records.</p> <p>Preparation of deficiency statement.</p> <p>Review of specific transactions and liaising with directors regarding certain transactions.</p> <p>Liaising with the committee/creditors or major creditors about further action to be taken.</p>
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.	<p>Preparing statutory investigation reports.</p> <p>Liaising with the Insolvency Service and submission of the CDDA report.</p> <p>Preparation and submission of supplementary report if required.</p> <p>Assisting the Insolvency Service with its investigations.</p>
Investigating & Pursuing Antecedent Transactions	<p>It may be necessary to further investigate transactions or other matters as a result of initial director correspondence and findings.</p> <p>Statutory investigations will include determining if any of the following have occurred:</p> <ul style="list-style-type: none"> <li>- Transactions at an Undervalue;</li> <li>- Preferences;</li> <li>- Transactions putting assets beyond the reach of creditors;</li> <li>- Misfeasance or breach of any fiduciary duty;</li> <li>- Wrongful trading; and</li> <li>- Undue retention of crown monies.</li> </ul>

**REALISATION OF ASSETS**

The receipts and payments account sets out the realisations achieved to date and the Estimated Outcome Statement sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. Work that has already and is anticipated to be carried out in relation to asset realisation is as follows.

Description of work undertaken	Includes
Realisation of Assets	The majority of the Company's assets were sold immediately following the Joint Administrators' appointment. As such, time will be taken to investigate the availability of any other assets to achieve value for the Administration estate.
<p>Sale of Business:</p> <ul style="list-style-type: none"> <li>- Goodwill</li> <li>- Intellectual Property</li> <li>- Stock</li> <li>- Plant &amp; machinery</li> <li>- Business records</li> <li>- Customer Contracts</li> </ul>	<p>Complete the sale of the Company's business and assets to the Purchaser.</p> <p>Complete post-sale administrative tasks.</p> <p>Allocation of consideration to the relevant asset classes.</p>
Non-Domestic Rates	Instructing agents to assess the availability of the refund of non-domestic rates.

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Tax Reliefs	Instruct accountants to review any possible tax reliefs available to the administration.
Debtors	<p>Instructing CAM to liaise with the Purchaser in respect of the corroborative records relating to the debtor collections. Periodically liaising with the Purchaser to obtain updates on the progression of book debts, cheques received, amounts deposited etc.</p> <p>Corresponding with the Secured Creditor in respect of the balance outstanding on appointment.</p> <p>Liaising with the Secured Creditor to obtain periodic sweeps of the funds received into its trust account to the Administration bank account.</p> <p>Liaising with the Company's pre-appointment bankers to obtain updates on funds received into the pre-administration bank account and request that funds are swept to the administration bank account.</p>
Financed Assets	Liaising with third parties and the Purchaser to ascertain the location of their assets to organise collection or a novation of the Company's pre-administration agreement.
Leasehold Property	<p>Drafting and agreeing an informal surrender of the leasehold property.</p> <p>Liaising with the Purchaser to return all licence fees.</p>
Petty Cash	Liaise with the Purchaser to request that the petty cash balance be deposited.
Pre-Appointment Bank Account	Contacting the Company's pre-appointment banker to request that the account be placed onto a credit only basis and that any credit balance be remitted to the administration bank account.

**CASHIERING**

The Joint Administrators must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

Description of work undertaken	Includes
Opening, maintaining and managing the Office Holders' cashbook and bank account.	<p>Opening of case bank account.</p> <p>Management of case bank account to ensure compliance with relevant risk management procedures.</p>
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	Preparation of periodic receipts and payments reconciliations to the Administration bank account.
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House

**CLOSING PROCEDURES**

The Joint Administrators are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that final reports are filed at Companies House and Court and appropriate notifications are provided to creditors.

Description of work undertaken	Includes
Completing final administrative matters	Liaising with the Administration estate bankers to place the account status onto non-interest bearing.

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	Discharging all remaining case expenses.
	Completion of Final VAT returns and any accompanying documents.
	Submitting final tax returns.

• **EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' EXPENSES ESTIMATE**

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and therefore it includes expenses already incurred, details of which are provided elsewhere in this document.

Category 1 Expenses	Basis	Estimate of total (£)
Legal costs – JMW : providing advice in respect of validity of security and appointment and other ad-hoc legal services that may be required to progress the administration.	Time-costs	5,000
Agents – CRM: Post-appointment liaison with the Company's director in respect of debtor records and the Company's accounting packages.	Time-costs	3,000
Debt Collection Fees – Intellimar Limited: Progressing and monitoring debtor collections per the debt collection agreement executed as part of the sale of the Company's business and assets.	20% plus VAT of surplus debtor realisations	52,000
Accountants – Edwards Veeder LLP: fees to include assistance with the Statement of Affairs, bringing current tax records up to date and advising on the availability of any terminal loss relief claims.	Time-costs/Set	5,000
Non-domestic rates Agents – CAPA: fees for any successful claims for historic non-domestic rates refunds.	25% contingent fee of any successful claims.	TBC
Advertising	At Cost	169
Bank charges	At Cost	50
Printing & Postage costs of external provider	At Cost	200
Bond premium	At Cost	135
Total		65,554

## The Joint Administrators' Statement of Proposals

### Appendix VIII: Charge-out Rates and Expenses Policy

#### CHARGE OUT RATES

##### Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active CEO/Managing Director's involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma Advisory Limited, exclusive of VAT.

Grade of Staff	Rate from 23 June 2022	
	Regional Offices	London Offices
CEO/Managing Director	£495.00	£665.00
Appointment Taking Director	£450.00	£560.00
Director	£400.00	£525.00
Senior Manager	£345.00	£460.00
Manager	£325.00	£395.00
Assistant Manager	£295.00	£360.00
Senior Administrator	£250.00	£310.00
Administrator	£200.00	£275.00
Assistant Administrator	£160.00	£210.00
Case Accountant	£110.00	£140.00
Junior Administrator	£125.00	£165.00
Support Staff/Executive Assistant	£110.00	£140.00

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Cases that are considered complex in nature are subject to a 25% increase on the published rates above. A full explanation of why a case is considered to be complex will be provided to creditors at the point fee approval is requested.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

- Administration & Planning
- Creditors
- Investigations
- Realisation of Assets
- Trading
- Cashiering
- Closing Procedures

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

## The Joint Administrators' Statement of Proposals

Details of historic charge out rates are available to review [here](#) or will be provided upon request.

### Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

### EXPENSES

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

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2). The following details are effective from 1 April 2021. Details of historic disbursement charges are available to review [here](#) or will be provided upon request.

#### 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. Category 1 expenses can be paid without prior approval.

Examples of these expenses include, but are not limited to, the following:

Category 1 Expense – effective from 1 April 2021	Basis of Charge
Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc	Typically on a timecosts or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.
Subsistence e.g. accommodation, meals, parking and/or congestion charges, tolls or business telephone calls, incurred by case staff as a direct result of working on an insolvency case	Reimbursed at cost incurred
Statutory & other Advertising	At cost incurred.
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Record Listing, Storage & Retrieval	At cost incurred
Printing & Postage costs of external provider.	At cost incurred
Virtual Meeting Platform (from 6/4/17)	At cost incurred



## The Joint Administrators' Statement of Proposals

### Category 2 Expenses

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration.

The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation.

Examples of Category 2 expenses include, but are not limited to, the following:

Category 2 Expense – effective from 1 April 2021	Cost £
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	£0.45
Professional Services provided by non-insolvency service lines within Quantuma Advisory Limited or by associated Companies within the Corporate Group structure of Quantuma Advisory Limited	As advised to creditors on a case by case basis.

The schedule is available for creditors to review at <http://www.quantuma.com/guide/creditors-guide-fees>.

### VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and expenses invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

### Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees>. Alternatively hard copies of these documents may be requested free of charge from Quantuma's registered office.

## **The Joint Administrators' Statement of Proposals**

### **Appendix XII: Summary of the Joint Administrators' Proposals**

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
  - (i) They continue to realise the remaining assets available to the administration estate, including but not limited to book debts and monitoring any potential sale of the Purchaser's business.
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
  - (i) In the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
  - (ii) In the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Frank Ofonagoro and Jeremy Woodside will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
  - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Frank Ofonagoro and Jeremy Woodside may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or
  - (iv) in the event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall [file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act / apply to the court to bring the Administration to an end in accordance with Paragraph 79(3) of Schedule B1 of the Act.

Curer-Chem Limited (In Administration)

**The Joint Administrators' Statement of Proposals**

Appendix XIII: Decision Process Documents