

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
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1 Company details

Company number 0 2 8 6 0 6 0 0

Company name in full D.N.T. Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Rajnesh

Surname Mittal

3 Administrator's address

Building name/number 2nd Floor

Street 120 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 3 B D

Country

4 Administrator's name ①

Full forename(s) Benjamin Neil

Surname Jones

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 2nd Floor

Street 120 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 3 B D

Country

② Other administrator

Use this section to tell us about
another administrator.

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Notice of Administrator's Proposals

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Statement of proposals



I attach a copy of the statement of proposals

7

Qualifying report and administrator's statement ^①



I attach a copy of the qualifying report



I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature



X

Signature date

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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 **Abbie Lenihan**

Company name **FRP Advisory Trading Limited**

Address **2nd Floor**

120 Colmore Row

Post town **Birmingham**

County/Region

Postcode **B 3 3 B D**

Country

DX **cp.birmingham@frpadvisory.com**

Telephone **0121 710 1680**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

FRP

D.N.T. Company Limited - in Administration

The Administrators' Proposals

3 April 2024

Contents and abbreviations

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The following abbreviations may be used in this report:

the Administrators	Rajnish Mittal and Benjamin Neil Jones of FRP Advisory Trading Limited
the Company	D.N.T. Company Limited - in Administration
CBILS	Coronavirus Business Interruption Loan Scheme
CVA	Company Voluntary Arrangement
CVL	Creditors Voluntary Liquidation
the Directors	Anthony Feek and Felicity Feek
EOS	Estimated Outcome Statement
ETR	Estimated to Realise
FRP	FRP Advisory Trading Limited
Funding Circle	Funding Circle Limited
FYXX	Financial year ended 30 November XX
Gateley	Gateley Plc
GCSL	Griffin Credit Services Limited
Gordon Brothers	Gordon Brothers International LLC
HIF	HSBC Invoice Finance (UK) Limited
HMRC	HM Revenue & Customs
HSBC/the Bank	HSBC Bank Plc
the Insolvency Rules	The Insolvency (England and Wales) Rules 2016

Contents and abbreviations

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Marcegaglia	Marcegaglia Steel S.P.A.
MRICS	Member of the Royal Institution of Chartered Surveyors
NOA	Notice of Appointment of Administrators
NOI	Notice of Intention to Appoint Administrators
the Property	Freehold property at 5 Chestnut Court, Jill Lane, Sambourne B96 6EW
QFCH	Qualifying floating charge holder
RICS	The Royal Institution of Chartered Surveyors
ROT	Retention of title
RPS	Redundancy Payments Service
SIP	Statement of insolvency practice
SoA	Statement of Affairs
SW	Sanderson Weatherall LLP
UK	United Kingdom
VAT	Value Added Tax

1. Introduction and circumstances giving rise to the appointment of the Administrators

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On 15 February 2024, the Company entered administration and Rajnesh Mittal and Benjamin Neil Jones were appointed as Joint Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals ("the Proposals") to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The Proposals are deemed delivered four business days after they are dated.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

Background information regarding the Company

The Company was incorporated on 8 October 1993 and operated in the wholesale of metals and metal ore, specifically steel. The Company sold steel coils to a variety of customers and industries, including the construction industry; this included both generic steel and pre-painted steel to customer specifications. Prior to our appointment the Company had a sole UK agency arrangement with Italian steel supplier Marcegaglia.

The Company operated from the Property, which are freehold office premises. The Property also served as the Company's registered office address.

The Company held stock in third-party locations across the UK, being mostly warehouses and ports, with a small amount of stock held by customers on a consignment basis.

Immediately prior to the appointment, the Company employed eight members of staff including two directors.

Full details of the Directors, shareholders, and extracts of the available financial statements of the Company are provided at **Appendix A**.

The Company was funded through an overdraft facility with HSBC, and CBILS loans from HSBC and Funding Circle. The Company also operated an invoice factoring facility with HIF.

As of 15 February 2024, HSBC's and HIF's approximate indebtedness (prior to interest and contractual charges) was as follows:

- HIF - £469k
- HSBC CBILS - £169k
- HSBC overdraft balance - £89k

As at the date of appointment, the Company had granted the following charges registered at Companies House:

Charge holder	Security held	Date created	Date delivered
Griffin Credit Services Limited*	Fixed charge on purchased debts which fail to vest	31 August 1999	3 September 1999
HSBC Bank Plc	Assignment	11 December 2014	11 December 2014
HSBC Bank Plc	General pledge and assignment	16 December 2014	16 December 2014
HSBC Bank Plc	Debenture	16 December 2014	16 December 2014
HSBC Bank Plc	Legal mortgage	16 December 2014	17 December 2014

*Relates to the HIF facility.

A security review will be undertaken in respect of all registered securities and charges.

Events leading to the appointment of the Administrators

The Company was historically profitable and had established strong relationships with a number of steel mills. The Company had previously been able to source steel at

1. Introduction and circumstances giving rise to the appointment of the Administrators

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short lead times from Russia, however as a result of sanctions commencing in 2022 this was no longer possible and had a detrimental effect on the Company's trading.

The sector as a whole has been adversely impacted as a result of reduced demand, particularly for construction steel, and recent price reductions of around 30-40%, further contributing to the Company's deterioration in trading levels.

The Company's trading and cashflow performance also suffered as a result of certain adverse stock purchasing decisions. This included a significant volume of steel that the Company had not been able to sell at or near the purchase cost.

The above issues resulted in significant creditor arrears accruing with key suppliers and those suppliers withdrawing credit terms.

FRP was initially introduced to the Company by HSBC on 26 January 2024. Following an initial meeting with the Directors on 29 January 2024, FRP was formally engaged by the Company and HSBC on 2 February 2024 to undertake critical payments monitoring whilst the Company continued to explore a solvent turnaround solution with a potential investor (which was ultimately not successful).

FRP was subsequently engaged by the Company and HSBC on 8 February 2024 to undertake contingency planning due to the inherent risk of insolvency of the Company. This involved an assessment of the Company's financial position, together with preparatory work in advance of the Company being placed into administration.

Prior to FRP's engagement, the Directors had sought advice from a number of sources including insolvency practitioners, lawyers and potential investors. Based on advice received, the Company sought to reduce its indebtedness to key suppliers via the return of excess stock and informal compromise arrangements for the balance of their debt (net of any stock return credits). Several of the trade creditors, including the Company's key supplier, rejected the proposed arrangements and had advised that they were due to commence formal proceedings against the Company.

Immediately prior to the appointment, the Company's trading had almost entirely ceased due to the lack of saleable stock, and as a result, new enquires from customers had begun to reduce. Also, as a result of a significant volume of stock being returned to suppliers, a material VAT liability had been created (approximately £350k) which the Company could not address.

Given the above, it was concluded that the Company was insolvent, and due to mounting creditor pressure a NOI was filed by the Directors on 14 February 2024.

Following an assessment of options, it was concluded that realising the Property and the remaining assets in administration was the most appropriate course of action.

On 15 February 2024, the Directors therefore filed a NOA appointing Rajnesh Mittal and Benjamin Neil Jones of FRP as Joint Administrators.

The Directors advised that there were no resignations of key staff immediately before our appointment: two former directors had resigned on 16 October 2023 and 8 February 2024 respectively but had remained employees of the Company. The Directors also advised that there had not been a sale of significant assets that contributed to the downturn in trading and financial position of the Company. The primary assets of the Company were the Property and stock. The debtors ledger had been assigned to HIF.

Alternative courses of action considered

Prior to the appointment, FRP assessed the following alternative options:

Solvent sale or refinance

A solvent share sale was considered unlikely to be achievable as the Company had almost completed ceased trading and was deemed insolvent.

Given the existing debt levels, limited tangible assets (primarily the Property, debtors and stock) and lack of visibility on the Company's ability to service its debt, we did

1. Introduction and circumstances giving rise to the appointment of the Administrators

not consider there to be any prospect of the Company securing additional debt facilities in order to continue trading on a solvent basis.

CVL

Based on our experience, realisations in a CVL shutdown scenario would be materially less than in an administration due to the time required to effect an appointment and the likelihood of reduced debtor collections. In our view, a CVL would have therefore adversely impacted upon asset realisations when compared to winding-down the operations in an administration.

CVA or Restructuring Plan

Both of these options would require additional funding and a period of time to prepare the proposal/plan, neither of which were available. Furthermore, given the Company's significant HMRC preferential debt and the stance taken by key creditors it was not considered that there would be any merit in exploring these options.

Pre-pack sale

Due to the Company's financial position and given that it had almost entirely ceased trading prior to our appointment, an extensive marketing period for a sale of the business and assets of the Company and completing a pre-pack transaction was not considered viable.

Trading administration with a subsequent sale of the business and assets as a going concern

There would be significant risks/challenges associated with trading the business in administration for the following reasons:

- Crucially, there would be an absence of immediate funding available to finance the overheads, overdue supplier payments, employee costs, property costs and ransom payments;
- The Company whilst trading in administration would most likely continue to generate losses, particularly where suppliers adopted ransom positions and once the additional layer of the Administrators' costs were applied;
- Customers were considered less likely to issue new orders without certainty around the Company's future; and
- Trading the business is unlikely to have increased the prospects of finding a buyer.

Appointment of the Administrators

As mentioned above, FRP was initially introduced to the Company on 26 January 2024 by HSBC. Following a meeting on 29 January 2024 FRP was formally engaged by the Company and HSBC on 2 February 2024 to undertake critical payments monitoring.

On 8 February 2024, FRP was subsequently engaged to undertake contingency planning for the Company, specifically in relation an anticipated administration appointment.

At this stage FRP's primary duty of care was to the Company which would include consideration of the Directors' fiduciary duties to act in the overall best interest of the company and its creditors. Until the appointment of Administrators, the Directors continued to be responsible for the Company and its affairs neither FRP nor its insolvency practitioners advised the Directors personally, or any parties interested in purchasing the business and assets of the Company.

Prior to our appointment as Joint Administrators, we are required to consider any ethical and conflict issues in relation to the appointment and provided we are satisfied that there are no matters arising that would preclude us consenting to act we must

1. Introduction and circumstances giving rise to the appointment of the Administrators

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provide a statutory statement and consent to act in which any prior relationship between the proposed Administrators and the Company is summarised, this statement is subsequently filed in Court.

Following our appointment as Joint Administrators our duty of care is to all the Company creditors as officers of the Court and agents of the Company, taking over from the Directors' responsibilities of managing the affairs, business and property of the Company.

The Directors filed a NOI with the Court on 14 February 2024 with the sealed NOI being subsequently served on HSBC, the QFCH of the Company. HSBC consented to the Administrators' appointment on 14 February 2024.

The appointment of the Joint Administrators took place on 15 February 2024. As mentioned above, the appointment was made by the Directors of the Company.

Rajnish Mittal and Benjamin Neil Jones are licensed Insolvency Practitioners and are both licensed by the Insolvency Practitioners Association.

The administration is registered in the High Court of Justice, Business and Property Courts, Company and Insolvency List (ChD), under reference number CR-2024-000095.

The Company's main centre of operation is based in the United Kingdom. The Insolvency Act 1986 will apply in this matter and accordingly, the administration will constitute the main proceedings.

The Administrators act jointly and severally, so that all functions may be exercised by either Administrator.

2. Conduct of the administration

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The objective of the administration

The Administrators think that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved due to the following reasons:

- Concerns over the ongoing viability of the Company in its current form;
- The level of creditor arrears and creditor pressure; and
- The significant quantum of funding likely to be required to restore the Company to solvency.

Objective (b), being a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in administration), is not anticipated to be achievable. This is on the basis that a distribution to the unsecured creditors is not likely given the significant level of secured and preferential debts.

It is therefore envisaged that objective (c) will be achieved, to realise property in order to make a distribution to one or more secured or preferential creditors. This is anticipated to be achieved through a sale of the Property, the realisation of stock and the outstanding debtors ledger. It is anticipated that this will generate sufficient funds to enable distributions to both the secured and preferential creditors.

The Administrators' actions

Details of work already undertaken or anticipated will be undertaken is set out in the schedule of work attached at **Appendix C**.

Key elements of work undertaken to date include the following:

Strategy

Our initial strategy was focused on protecting the value of the Company's assets in order to maximise realisations for creditors, as well as assisting former employees of the Company with claims and dealing with statutory matters.

Given that it was not possible to trade the business in administration or to achieve a going concern sale (due to reasons mentioned earlier) we pursued a strategy of winding-down of the Company's operations in a controlled manner.

All eight members of staff were made redundant immediately following our appointment. The Finance Manager was then retained on a consultancy basis for a 10-day period to assist with the collation of the books and records and any initial enquires regarding the debtors ledger.

We instructed chattels agents Gordon Brothers to assist with realising the Company's stock and other assets. Gordon Brothers is experienced in working with insolvency scenarios.

We also instructed property agents SW to assist with realising the Property. SW are independent agents who have experience in realising properties for insolvent companies.

See below for further details of the realisation strategy undertaken for the different categories of assets.

Freehold property

The Company owns freehold office premises located in Redditch, over which the Bank holds a charge.

As mentioned above, we engaged independent property agent SW to assist us in valuation and disposal of the Property.

2. Conduct of the administration

SW has commenced marketing of the Property with a recommended guide price of £300,000. For commercial sensitivity reasons, we are not in a position to disclose our agent's range of realisable values for the Property at this stage.

A further update will be provided in my next report.

Debtors

As advised above, HIF provided an invoice factoring facility to the Company. On appointment, HIF was owed approximately £469k in respect of the facility, prior to certain contractual charges and accrued interest. HIF is managing the collection of the debtors ledgers which totalled approximately £780k on appointment. We have collated all available debtor information and are maintaining close contact with HIF to provide assistance as required.

Since our appointment, approximately £309k of the debtors ledger has been collected. HIF has advised that disputes have been raised by certain debtors and that legal action may be required to pursue these outstanding balances.

Subject to the outcome of the legal proceedings, HIF may suffer a shortfall and as a result, there may not be any surplus debtor monies available to HSBC pursuant to its contract monies clause.

The Administrators have provided significant assistance in the collation of debtor records and dealing with certain debtor enquires.

Other debtors

According to the Company's books and records, 'other debtors', with a book value of £118k were outstanding. This primarily consisted of directors' loan accounts and loans to two former employees together totalling £70k.

We have written to the directors and former employees requesting payment. No payments have been received to date, but we are in active correspondence with these parties.

D.N.T. Company Limited - in Administration
The Administrators' Proposals

A review is being undertaken of the Company's final financial records to determine if any additional amounts are due. If so, these will be demanded under separate cover.

We will provide a further update in our next report.

Stock

At the date of appointment, the Company held stock with a book value of £940k; given the age and nature of the stock it was anticipated that only scrap value would be achievable upon appointment. This was estimated at £220k based on the scrap price of steel at that date and prior to any physical inspections.

As mentioned above, Gordon Brothers were instructed upon our appointment to assist with realising the Company's stock and other assets. Gordon Brothers are experienced in providing advice in insolvency scenarios, they confirmed their independence and that they carry adequate professional indemnity insurance.

The stock comprised approximately 970 tonnes of steel coil, most of which had been held for a significant number of months and had begun to deteriorate.

The stock was held in several third-party locations. Lien positions were adopted by the third parties with a liability of £37k. These costs will be settled upon receipt of the sales consideration for the stock.

Gordon Brothers attended the two main storage locations to complete a formal valuation. The reporting valuer was James Acton, a MRICS registered valuer. They valued the stock at £195k on an ex-situ basis and recommended a strategy of selling the stock via a negotiated private treaty sale. They noted that scrap values fluctuate regularly and the actual price achievable may therefore vary from the valuation.

Gordon Brothers advised that the disposal period for the sale would be in the region of 30 days including approximately 10 days required for the safe clearance of all items of stock from their current locations.

2. Conduct of the administration

There was a risk that the stock may be subject to ROT claims from suppliers. Upon our appointment we directly contacted all suppliers that may potentially have ROT claims. To date, no ROT claims have been received, and we therefore proceeded with a sale of the stock.

We instructed Gordon Brothers to proceed with their proposed strategy of marketing the stock via a combination of offline and online promotion including targeted email flyer marketing (through their databases).

As a result of the marketing exercise over approximately five weeks, three offers to purchase the stock were received. The final negotiated offers were as follows:

- A connected party (former employee) offered to purchase all stock for £150 per tonne (approximately £146k in total).
- Target Steel Limited offered to purchase all stock for £245 per tonne (approximately £238k) and offered to assume responsibility for all loading and transfer costs, estimated at £10k. Target Steel Limited has common shareholders and directors with the Company and is therefore a connected party.
- An unconnected third party offered to purchase all stock for £245 per tonne (approximately £238k). However, this offer was made assuming the loading and transfer costs were to be settled by the Administrators and was also subject to further due diligence.

Gordon Brothers recommended acceptance of the offer from Target Steel Limited as this is the best outcome for the administration. The recommendation is also based on Target Steel Limited being aware of the condition of the stock, having the relevant contacts to access the stock and it is understood that it will continue to use the third-party storage facilities which negates the need for the removal of the stock and the associated costs/risks.

Based on the recommendation, Target Steel Limited's offer was accepted. Payment of £238k plus VAT has been received in full and is held by Gordon Brothers. Following the payment of associated costs, including the liens, the balance will be remitted to the administration estate.

Chattel assets

The Company owns some limited chattel assets, primarily IT, furniture and office equipment. Gordon Brothers recommended that the furniture remains at the Property as it may enhance the marketability of the Property.

Gordon Brothers has arranged the sale of some IT equipment via a negotiated private treaty sale to a former director of the Company. The sale price agreed is greater than Gordon Brothers' valuation of the equipment. No payment has been received currently in respect of this sale. The valuation has not been disclosed at this stage so as to not prejudice the sale.

Gordon Brothers will be selling the remaining chattels via a negotiated private treaty sale. An update will be provided in our next report.

Prepayments

According to the Company's books and records, sums totalling £84k were due to the Company from prepayments. We will review the Company's records; however, no realisations are anticipated from this source.

Employees

As mentioned earlier, at the date of administration, the Company employed 8 staff including the Directors.

All employees were made redundant immediately following our appointment.

The Finance Manager was engaged on a consultancy basis to assist with the collation of the Company's books and records, and any enquires regarding the debtors ledger.

2. Conduct of the administration

Our dedicated employment team has supported former employees with lodging their claims with the RPS and with other related matters.

Other key actions taken following the appointment include, but are not limited to, the following:

- Collation of pre-appointment books and records;
- Marsh Limited, specialist insurance brokers, were advised of the appointment and engaged to provide appropriate advice and cover in respect of the Property and other tangible assets; and
- IT access rights were restricted as appropriate. Back-ups of the Company's data, including its accounting software, general files and selected email accounts were taken. FRP's specialist IT team were utilised for these purposes.

Administrators' future work

Following approval of the Administrators' proposals the Administrators will continue to manage the affairs and business of the Company and conduct the Administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Realising the Company's remaining tangible assets,
- Continuing to market and complete a sale of the Property;
- Agreeing/settling costs associated with the Property;
- Assisting HIF with the collection of the debtors;
- Pursuing the 'other debtors' balances;

- Investigating and, if appropriate, pursuing any claims that the Company may have against any person, firms 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;
- Continuing to address creditor correspondence and queries, and reporting to secured creditors;
- Submitting post-appointment VAT and Corporation Tax returns to HMRC;
- Agreeing claims and distributing funds to the secured and preferential creditors, as appropriate;
- Ensuring all statutory and compliance matters are attended to;
- Doing all such things and generally exercising all their powers as Administrator as they in their discretion considered desirable or expedient 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 proposals;
- Seeking an extension of the administration if needed; and
- Paying all administration expenses and bringing the administration to an end when deemed appropriate by the Administrators.

Receipts and Payments Account

A copy of the Administrators' receipts and payment account to date is attached as **Appendix B**. This shows realisations and costs incurred to date in the administration.

2. Conduct of the administration

The Directors' SOA

The directors of the Company were requested to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986. A copy of the Statement of Affairs is provided at **Appendix E**.

Matters requiring investigation

The Administrators are required as part of their duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted. They are also required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business and Trade on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact me as soon as possible.

The end of the administration

The administration will end automatically after twelve months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to twelve months or longer by application to the Court as required.

If the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

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Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Administrators or any successor office holder(s). Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

In this administration it is proposed that the administrators will take the necessary steps to dissolve the Company as it is not anticipated there will be any funds available for distribution to unsecured creditors.

Decision of creditors

Based on information currently available, the Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except potentially from the prescribed part if funds allow. This statement is made in accordance with Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986.

2. Conduct of the administration

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The Administrators are therefore not required to seek a decision from creditors as to whether they approve the Administrators' proposals pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Administrators must however seek a decision from the creditors if requested to do so by creditors whose debts amount to at least 10% of the total debts of the Company. The request must contain the particulars prescribed by rule 15.18 of the Insolvency Rules and be made within eight business days of the date of delivery of this report, in accordance with the Insolvency Rules.

The expenses of seeking the decision shall be paid by the creditor or creditors requesting the decision, who will be required to lodge a deposit with the Administrators as security for this payment. The creditors may decide that the expenses of seeking the decision should be paid as an expense of the Administration payable from the assets of the Company.

In accordance with the Insolvency Rules where the Administrators have not sought a decision of the creditors, the proposals set out below will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a decision of creditors within eight business days of the date of delivery of this report.

3. The Administrators' remuneration, expenses and pre-appointment costs

FRP

Administrators' remuneration

A schedule of the work to be undertaken during the administration is set out at **Appendix C** together with an EOS which includes an estimate of the expenses likely to be incurred by the Administrators. Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

The Administrators' remuneration will be drawn from the Company's assets and it is proposed that it will be charged by reference to the time incurred in attending to matters arising. Further details of how this will be calculated is set out below. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case. The Administrators' fees for dealing with the assets subject to a fixed charge will be agreed with the secured creditors.

Should the Company subsequently be placed into liquidation and the Administrators appointed as liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the liquidators' remuneration, in accordance with the Insolvency Rules.

Whichever fee basis is approved by creditors and utilised to calculate the level of remuneration that can be drawn by the Joint Administrator this will include all direct costs of providing professional services by the Joint Administrator and their staff in dealing with the Company, but will exclude any expenses that may be paid to an associate or which have an element of shared costs (known as category 2 expenses), which require separate approval from creditors before they can be paid.

Where payments are to be made to associates of the office holder or their firm, creditors' approval to such payments must be received prior to payment being remitted. We can confirm no payments are being made to associates of the office holder or their firm.

Where there is an element of costs being shared between this insolvency estate and other parties, and determination of how those costs are to be allocated is being decided by the office holder, creditors' approval to such payments must be received prior to payment being remitted. We can confirm no shared costs are currently envisaged.

Remuneration charged by reference to the time incurred in attending to matters arising

The Administrators' remuneration which is proposed to be charged by reference to time incurred is set out in the fee estimate attached at **Appendix C**. Time costs incurred to date total £35,682.50 plus VAT. The time charged is based on computerised records capturing time charged by the Joint Administrators and our staff in dealing with the conduct of those aspect of the case being charged on a time cost basis. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix C**.

Administrators' disbursements and expenses

The Administrators' disbursements are payments which are first met by the Administrators, and then reimbursed to the Administrators from the estate. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

3. The Administrators' remuneration, expenses and pre-appointment costs

FRP

Where payments are to be made to associates of the office holder or their firm, creditors' approval to such payments must be received prior to payment being remitted. I can confirm no payments are being made to associates of the office holder or their firm.

Pre-administration costs charged or incurred by the Administrators

Attached at **Appendix D** is a statement of pre-administration costs charged or incurred by the Administrators which had not been paid when the Company entered administration.

I am seeking to obtain approval for the payment of the amounts scheduled at **Appendix D** from secured and preferential creditors in accordance with the Insolvency Rules.

Creditors' ability to challenge the Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors



Estimated Outcome Statement

Attached at **Appendix C** is an EOS which has been prepared from the information provided by the Directors included in their statement of affairs, asset realisations to date, advice received in connection with the value of the Company's assets, estimated sums due to creditors and an estimate of our remuneration and other expenses that may be incurred during the course of this administration. The assumptions made in preparing the estimated outcome statement details are set out in the notes column of the EOS.

Based on the information available to date and the assumptions made, we set out below the anticipated the outcome for creditors:

Outcome for secured creditors

At the date of appointment, the Company had granted the following charges registered at Companies House:

Charge holder	Security held	Date created	Date delivered
Griffin Credit Services Limited*	Fixed charge on purchased debts which fail to vest	31 August 1999	3 September 1999
HSBC Bank Plc	Assignment	11 December 2014	11 December 2014
HSBC Bank Plc	General pledge and assignment	16 December 2014	16 December 2014
HSBC Bank Plc	Debenture	16 December 2014	16 December 2014
HSBC Bank Plc	Legal mortgage	16 December 2014	17 December 2014

*Relates to the HIF factoring facility.

HIF

As set out earlier, the Company operated an invoice factoring facility with HIF. Prior to the application of charges and fees there was approximately £469k owed by the Company to HIF at the date of the Company entering administration.

Since our appointment, approximately £309k has been collected against a total debtors ledger of approximately £780k.

It is currently estimated that HIF may suffer a shortfall.

Therefore, it is anticipated that there will no surplus debtor monies available to HSBC pursuant to its contract monies clause.

HSBC

At the date of the administration HSBC was owed approximately £89k in respect of an overdraft balance and approximately £169k in respect of a CBILS loan, prior to any contractual charges and interest.

HSBC holds a legal charge over the Property.

As shown in the EOS at **Appendix C**, it is currently estimated that HSBC may suffer a shortfall. However, this is dependent on the level of final debtor realisations, the sale price achieved for the Property and the costs of realisations.

Outcome for Preferential Creditors

It is currently estimated that preferential creditors will total £12k, being the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation. Based on the assumptions applied in our EOS, we anticipate that there will be sufficient realisations to settle these claims in full.

4. Estimated outcome for the creditors

FRP

Outcome for Secondary Preferential Creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

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

Prior to the administration a significant volume of stock had been returned to suppliers and had created a material VAT liability for the Company (approximately £350k). No VAT return has currently been prepared for this period.

The PAYE liability is estimated at £12k in relation to unpaid PAYE from January 2024 to the date of the administration.

HMRC has submitted a preferential claim in the Administration for an amount of £194k. They have noted that the VAT element of the claim is estimated and cannot be finalised until all pre-appointment VAT returns have been submitted.

In the interim and for the purposes of the EOS, we have estimated the level of HMRC's total preferential claim at around £362k based on the Company's records. We anticipate being able to make a partial distribution in respect of HMRC's preferential claim.

Outcome for Unsecured Creditors

Based on the assumptions made in the EOS it is currently estimated that there will not be sufficient funds available to make a distribution to unsecured creditors.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

Based on the information currently available and as per the attached EOS, there is unlikely to be a distribution to unsecured creditors via the prescribed part or otherwise.

Appendix A

Statutory information about the Company and the administration

FRP**COMPANY INFORMATION:**

Other trading names:	None
Date of incorporation:	8 October 1993
Company number:	02860600
Registered office:	FRP Advisory Trading Limited, 2nd Floor, 120 Colmore Row, Birmingham, B3 3BD
Previous registered office:	5 Chestnut Court, Jill Lane, Sambourne, Warwickshire B96 6EW
Business address:	5 Chestnut Court, Jill Lane, Sambourne, Warwickshire B96 6EW
Directors:	Anthony Feek and Felicity Feek
Company secretary:	Dusan Babic

The Directors and Company secretary have the following shareholdings in the Company:

Name	Shares	Type	%
Anthony Feek	375	Ordinary	34.09
Felicity Feek	125	Ordinary	11.36
Dusan Babic	375	Ordinary	34.09

ADMINISTRATION DETAILS:

Names of Administrators:	Rajnish Mittal and Benjamin Neil Jones
Address of Administrators:	FRP Advisory Trading Limited, 2nd Floor, 170 Edmund Street, Birmingham B3 2HB
Date of appointment of Administrators:	15 February 2024
Court in which administration proceedings were brought:	The High Court of Justice, Business and Property Courts of England and Wales
Court reference number:	CR-2024-000095
Date of notice of intention to appoint Administrators presented to Court:	14 February 2024
Administration appointment made by:	The Directors
Consent to the notice to appoint an Administrator provided by the qualifying charge holder as follows:	
Holder of Qualifying Floating Charge 1. HSBC Bank Plc	Date of consent 14 February 2024

Appendix A

Statutory information about the Company and the administration

FRP

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The Directors have confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Extracts from the financial statements available are summarised below:

Period Ended	Turnover £'000	Gross Profit/ (Loss) £'000	Net Profit/ (Loss) £'000	Dividend paid £'000	P & L a/c c/fwd £'000
FY23 (Draft)	13,320	(2,066)	(3,255)	-	(1,672)
FY22	18,400	1,490	99	-	1,582
FY21	29,275	1,978	344	(40)	1,483
FY20	13,762	1,055	307	(40)	1,179

Appendix B

Administrators’ Receipts & Payments Account



D.N.T. Company Limited (In Administration) Joint Administrators' Summary of Receipts & Payments		
Statement of Affairs £	From 15/02/2024 To 03/04/2024 £	From 15/02/2024 To 03/04/2024 £
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>

Appendix C

The Administrators' remuneration, expenses and costs information

FRP

D.N.T. Company Limited - in Administration Estimated outcome statement as at 3 April 2024			Comments
£	SOA	ETR	
Assets subject to fixed charge			
Short term investments	-	-	Assuming not recoverable
Freehold property	201,000	201,000	ETR is £225k as we understand this should be the ETR in SoA - we are not in position to disclose our professional advisors' opinion on the realisable value of the property at this stage, so as to not prejudice any future sale.
Costs of realisation			
Post-appointment administrators' fees	-	(10,000)	Estimate
Property agents' fees	-	(15,000)	Estimate - Sales commission plus marketing costs and provision for additional time costs
Accountancy/tax advice	-	(2,000)	Estimate
Legal fees	-	(5,000)	Estimate
Holding costs	-	-	
Property rates	-	(1,500)	Assuming 15 weeks to sell the property. Estimate
Insurance	-	(5,000)	Assuming 15 weeks to sell the property. Estimate
Utilities	-	(1,700)	Assuming 15 weeks to sell the property. Estimate
Service charge	-	(850)	Assuming 15 weeks to sell the property. Estimate
General provision	-	(2,000)	Assuming 15 weeks to sell the property. Estimate
Available to fixed charge holder - HSBC	201,000	157,950	
Available to HSBC (overdraft)		54,472	
Due to HSBC (overdraft)	(60,405)	(88,963)	Assuming net property realisations will be applied to HSBC CBILS and overdraft facilities on a pro-rata basis.
Surplus/(shortfall) to HSBC (overdraft)		(34,491)	Estimate
Available to HSBC (CBILS)		103,478	
Due to HSBC Bank PLC (CBILS)	(169,000)	(169,000)	Assuming net property realisations will be applied to HSBC CBILS and overdraft facilities on a pro-rata basis.
Surplus/(shortfall) to HSBC Bank PLC (CBILS)		(65,522)	Estimate
Assigned assets - subject to invoice finance (HIF)			
Debtors ledger	579,384	384,590	Estimate
Due to HIF			
Funds in use	(469,228)	(469,228)	Per HIF update 14-Mar-24
Surplus/(shortfall) to HIF		(84,638)	
Available to HSBC (overdraft)		-	
Shortfall to HSBC (overdraft) b/d		(34,491)	
Surplus/(shortfall) to HSBC (overdraft) c/f		(34,491)	
Available to HSBC (CBILS)		-	
Shortfall to HSBC (CBILS) b/d		(65,522)	
Surplus/(shortfall) to HSBC (CBILS) c/f		(65,522)	

D.N.T. Company Limited - in Administration
The Administrators' Proposals

Appendix C

The Administrators' remuneration, expenses and costs information

FRP

D.N.T. Company Limited - in Administration Estimated outcome statement as at 3 April 2024 £			SOA	ETR	Notes
Floating charge assets					
Surplus debtors b/d			105,751	-	No surplus debtors estimated
Furniture and fixtures			1,000	2,100	ETR as per sale agreed by Gordon Brothers
Stock			220,000	238,258	Sale completed and funds held by Gordon Brothers
Other Debtors			30,739	35,145	Estimate - Directors and employees loans assumes 50% recovery for prudence
Prepayments			-	-	Assuming not recoverable
Costs of realisation					
Pre-appointment administrators' fees			-	(11,075)	
Post-appointment administrators' fees			-	(96,113)	Estimate
Chattel agents fees			-	(33,765)	Estimate - Gordon Brothers
Staff consultancy costs			-	(1,270)	
Tax advice			-	(7,000)	Estimate
Pre-appointment legal fees			-	(14,758)	
Post-appointment legal fees			-	(5,000)	Estimate
Holding costs			-	-	
Stock holding costs			-	(37,000)	Estimate - includes ransom/ lien costs
General provision			-	(2,000)	Estimate
Available to preferential creditor - employees / RPS				67,523	
Employee liability - Arrears of wages/holiday pay			(12,900)	(11,200)	Estimate
Pension liability - employees contributions			-	(1,012)	Estimate
Surplus/(shortfall) to employees				55,311	
Available to HMRC				55,311	
HMRC liabilities			(457,000)	(362,400)	Estimate
Surplus/(shortfall) to HMRC				(307,090)	
Available for prescribed part					
Prescribed part			-	-	Estimate
Surplus/(shortfall) to prescribed part					
Available for floating charge holders					
Shortfall to HSBC (overdraft) b/d			-	(34,491)	
Shortfall to HSBC (CBILS) b/d			-	(65,522)	
Shortfall to HIF b/d			-	(84,638)	
HSBC Commercial credit card			-	-	Estimate
Surplus/(shortfall) to floating charge holders				(184,651)	
Available to unsecured creditors					
Trade creditors			(3,150,930)	(3,150,859)	Estimate
Funding Circle CBILS loan			(115,000)	(115,000)	Estimate
Employee claims			(149,800)	(149,800)	Estimate
Barclaycard Commercial credit card			-	(830)	Estimate
American Express credit card			-	(7,295)	Estimate
Capital on Tap credit card			-	(5,013)	Estimate
Shortfall to unsecured creditors				(3,428,797)	

D.N.T. Company Limited - in Administration
The Administrators' Proposals

Appendix C

The Administrators' remuneration, expenses and costs information

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The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories of work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the Directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
<ul style="list-style-type: none">• The records received are complete and up to date;• There are no matters to investigate or pursue;• No financial irregularities are identified;• A committee of creditors is not appointed;• There are no exceptional queries from stakeholders;• Full co-operation of the Directors and other relevant parties is received as required by legislation;• There are no health and safety or environmental issues to be dealt with; and• The case will be closed within one year.

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The Administrators' remuneration, expenses and costs information

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Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken to date	ADMINISTRATION AND PLANNING Future work to be undertaken
	Regulatory Requirements and General Matters	
	<p>We have completed our money laundering risk assessment procedures and 'know your client' checks in accordance with the Money Laundering Regulations.</p> <p>We have completed our take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act.</p> <p>We have ascertained the online presence of the Company and arranged for the Company's website to be taken down.</p> <p>We have assisted employees with their claims and liaised with the RPS as required.</p> <p>We have arranged insurance cover over the tangible assets.</p>	<p>We will regularly review the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</p> <p>We will continue to assist employees with their claims and liaising with the RPS as required.</p> <p>We will cancel insurance cover over assets as they are realised to control insurance costs.</p> <p>We shall periodically review anti-money laundering matters, as appropriate.</p> <p>We shall periodically consider the Bribery Act and Data Protection Act.</p> <p>Any further action in respect of regulatory matters will be completed as deemed appropriate.</p>
	Ethical Requirements	
	<p>Prior to our 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 over the review period.</p>	<p>We shall regularly review ethical issues and consider any ethical threats.</p> <p>Any such threats will be dealt with appropriately in line with the firm's policies and those of the relevant regulatory authority.</p>
	Case Management Requirements	
	<p>We have determined the initial case strategy and documented this as required by our regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressed.</p>	<p>We will regularly review the conduct of the case and the case strategy and will update the strategy as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing satisfactorily.</p>

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The Administrators' remuneration, expenses and costs information

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	<p>We have compiled a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee basis proposed.</p> <p>We have set up insolvent estate bank accounts and will continue to monitor these throughout the duration of the case.</p> <p>We have assisted the Directors where needed in producing the Company's SoA post appointment.</p> <p>We have corresponded with the former advisors to the Company requesting third party information to assist in general enquiries.</p> <p>We have arranged for storage agents to attend the Company premises in order to collect the Company books and records, as required.</p>	<p>We will continue to administer the insolvent estate bank account throughout the duration of the case, including monitoring all transactions.</p> <p>We will obtain legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. In addition, this will include a review of any security documentation to confirm the validity of any charges.</p>
2	<p>ASSET REALISATION Work undertaken to date</p>	<p>ASSET REALISATION Future work to be undertaken</p>
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>See Section 2 of this report for details in respect of asset realisations to date.</p>	<p>We will continue to realise the remaining assets of the Company.</p> <p>We will review the books and records and investigate any antecedent transactions.</p> <p>Stock We will continue to liaise with Gordon Brothers in relation to the realisation of the stock and accounting for the associated receipts/costs.</p> <p>Debtors We will liaise with HIF where necessary in relation to the ongoing collection of the debtors ledger.</p> <p>We will continue to correspond with other debtors in relation to payment to the administration estate.</p>

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The Administrators' remuneration, expenses and costs information

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		<p>We will complete a review of the Company's financial records to determine if any additional amounts are due.</p> <p>Chattel assets We will continue to liaise with Gordon Brothers in relation to the removal and realisation of the chattel assets.</p> <p>Prepayments We will review the Company books and records to determine if any prepayments are realisable in the administration.</p> <p>Other assets We will consider information provided by stakeholders and continue to review the Company's books and records to identify further assets or lines of enquiry to explore for the benefit of the administration estate.</p>
3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p>We have prepared and provided creditors with the Proposals for the conduct of the administration for approval by creditors in accordance with legislation.</p> <p>We have calculated the estimated value of assets that are not subject to a charge by obtaining a bond to the correct level.</p> <p>We have advertised and circulated notice of the Administrators' appointment as required by statute.</p> <p>We have established the existence of the Company's pension scheme and staging dates for auto-enrolment and taken appropriate action to notify all relevant parties.</p>	<p>We will provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed with the Registrar of Companies.</p> <p>We will obtain secured and preferential creditors' approval for the basis of the Administrators' fees in accordance with the Insolvency Rules.</p> <p>We will continue to place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims in the London Gazette.</p> <p>We will deal with post appointment VAT and or other tax returns as required.</p> <p>We will deal with the statutory requirements in order to bring the case to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with the Registrar of Companies.</p>

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The Administrators' remuneration, expenses and costs information

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4	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken
	<p>The matters set out below are required under the provisions of the Company Directors Disqualification Act 1986. The completion ensures that the Joint Administrators comply with statutory and regulatory requirements. Furthermore, they also assist in ascertaining whether any pre-administration transactions or conduct can be challenged, leading to a financial return for the benefit of the administration estate.</p> <p>We have requested that all directors of the Company, both current and those holding office within three years of the administration, complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act.</p>	<p>We will review the books and records and other information available to identify assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Following the conclusion of these investigations, we shall report our findings to DEBIS and the Insolvency Service. Information provided to DBEIS is confidential but can be used to assist the DBEIS in identifying conduct that may require further investigation.</p> <p>We will consider information received from all stakeholders that might identify further assets or lines of enquiry for the office holder to explore if benefit to the estate is possible.</p> <p>We will consider whether or whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.</p>
6	CREDITORS Work undertaken to date	CREDITORS Future work to be undertaken
	<p>Secured creditors We have regularly updated the secured creditors in respect of the ongoing strategy and sought approvals where required.</p> <p>Preferential creditors We have written to all employees made redundant and confirmed details of their redundancy in order that they may claim from the RPS and assisted them with their claims and other queries arising.</p> <p>We have written to HMRC requesting details of their secondary preferential and unsecured claim.</p>	<p>Secured Creditors We will liaise with secured creditors in relation to the case and distribute funds if sufficient funds are available to do so.</p> <p>Prior to making a distribution to secured creditors we will obtain advice on the validity of security before making payment.</p> <p>Preferential creditors We will continue to liaise with the RPS in relation to claims submitted by employees and will continue to provide the requisite information.</p>

Appendix C

The Administrators' remuneration, expenses and costs information

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<p>Unsecured creditors We have notified creditors of our appointment and responded to all creditor correspondence and queries.</p> <p>ROT We have liaised with creditors and third parties who may have had an ROT claim.</p> <p>Pensions We have established the position with regard to any employer pension schemes and notified the relevant parties in accordance with the legislation.</p>	<p>If sufficient funds are available to make a distribution to preferential creditors, we will agree claims and pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.</p> <p>Secondary preferential creditors We shall liaise with HMRC to establish its final claim and will seek tax advice if necessary.</p> <p>If sufficient funds are available to make a distribution to secondary preferential creditors, we will agree the claims and pay a distribution.</p> <p>Unsecured creditors We will continue to respond to queries raised and log any claims that have been received.</p> <p>It is not currently anticipated that there will be sufficient funds available to make a distribution to the unsecured creditors.</p> <p>However, if sufficient funds are available to make a distribution to the unsecured creditors, we will write to all known creditors to notify of the possibility of a distribution and requested submission of claims. To date we are aware of 40 potential creditors according to the information currently available.</p> <p>As required, we will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors.</p> <p>ROT We will deal with any creditors or third parties claiming ownership or reservation of title to assets in the possession of the insolvent estate.</p>
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Appendix C

The Administrators' remuneration, expenses and costs information

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		Pensions We will continue to liaise with the pension provider regarding outstanding contributions and assist with any claims from the RPS.
7	LEGAL AND LITIGATION Work undertaken to date	LEGAL AND LITIGATION Future work to be undertaken
	No litigation work by the Administrators is envisaged at this stage.	We will seek legal advice as and when required throughout the assignment.
	TOTAL ESTIMATED FEES	£106,113

Appendix C

The Administrators' remuneration, expenses and costs information

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D.N.T. Company Limited - in Administration
Joint Administrators fee estimate as at 3 April 2024

Activity	Hours	Total Cost (£)	Average hourly rate £
ADMINISTRATION	66.6	20,798	312
ASSET REALISATION	80.1	27,255	340
STATUTORY COMPLIANCE AND REPORTING	60.8	18,902	311
TRADING	-	-	-
INVESTIGATION	24.9	8,616	346
CREDITORS	90.9	30,544	336
LEGAL AND LITIGATION	-	-	-
TOTAL	323.3	106,113	

Hourly Charge out rates:	
	£
Appt taker/partner	420-555
Managers/directors	315-420
Other professional	190-265
Junior Professional/support	95-125

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.
The above costs are net of VAT.

The office holder anticipates that it will be necessary to seek further approval. The reasons it may be necessary to seek further approval are set out in the documentation accompanying this estimate.

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory's charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link
<https://www.frp.advisory.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

Appendix C

The Administrators' remuneration, expenses and costs information

FRP

FRP Advisory Trading Limited ("FRP")

HOURLY CHARGE OUT RATES

	£/hour
Appointment taker/Restructuring Advisory Partner/Director	420-555
Managers/Directors	315-420
Other Professional	190-265
Junior Professional/Support	95-125

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link [link](#). Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

EXPENSES POLICY

Expenses are any payment from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

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).

Details of sums paid as either expenses or disbursements will be identified in the progress reports prepared during the course of an assignment and circulated to all creditors.

Category 1 expenses:

These are payments to independent third parties who are not an associate of the office holder and where there is specific expenditure directly referable to the appointment.

Category 1 expenses may include but are not limited to items such as case advertising, storage, bonding, company searches and insurance.

Category 1 expenses can be paid without prior approval.

Category 2 expenses:

These are payment to associates or which have an element of shared costs.

With the exception of mileage FRP do not charge category 2 disbursements. Mileage payments relate to the use of private vehicles for business travel, and are directly attributable to the estate. They are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration whether paid directly from the estate or as a disbursement.

Appendix C

The Administrators' remuneration, expenses and costs information

FRP

SUBCONTRACTED WORK

In accordance with SIP9 your attention is drawn to work that may be subcontracted during the course of administering the insolvency process. Subcontracted work is defined as work that could otherwise be carried out by the office holder or their staff. The office holder would typically subcontract work where it was considered more efficient, beneficial to the estate and/or cost effective to do so.

The officeholder may use the services of Postworks for the purpose of mailing out correspondence, this is particularly cost effective where large mail outs are required to stakeholders. Postworks possesses the requisite resources and equipment to convert electronic correspondence to hard copy correspondence, where it is required to be sent in paper form. Postworks add our firm's branding, collates the correspondence, and subsequently posts it to the intended recipients in a timely and reliable fashion. The costs associated with this service are based upon the quantity of letters and reports required to be posted, and number of pages involved. This is significantly more efficient and cost-effective than utilising our own resources.

Postworks costs start from 4p per page plus Royal Mail standard rates. Total costs incurred will be included within the disclosure of category 1 expenses as set out above and included in our progress reports.

In addition, other specialists may be used for example to assist with asset realisation, for example debt collection agents, where this maybe more cost effective and result in a better asset realisation compared to utilising the office holder's staff. Solicitors may be utilised to deal with routine filings at Court or the Registrar of Companies or other statutory bodies. In deciding whether to subcontract this work the office holder will assess whether the estate is receiving value for money when compared to that same work being undertaken by the office holder or their staff. Typically the estate will benefit where the office holder has decided to subcontract work to third parties in terms of costs of efficiency, the availability of resources as well as a potential increase in accuracy due to the use of standardised specialist procedures.

Appendix D

Schedule of pre-administration costs

FRP

Provider	Service	Fee charged £	Expenses incurred £	Total £	Amount paid £	Amount unpaid £	Who payments made by	Basis of fees charged	Date of letter of engagement under which fees charged	Parties to the agreement under which fees charged
FRP Advisory Trading Limited	Proposed Administrators	18,074.50	28.73	18,103.23	7,000.00	11,103.23	The Company	Time cost Hours: 53	2 February 2024 and 8 February 2024	Company
Gateley Legal	Legal services	14,664.50	93.80	14,758.30	-	14,758.30	-	Time cost Hours: 49.7	12 February 2024	Company & Proposed Administrators
TOTAL		32,739.00	122.53	32,861.53	7,000.00	25,861.53				

The pre-administration costs set out above are the fees charged and the expenses incurred by the Administrator before the Company entered administration but with a view to it doing so. We set out below a summary of the work undertaken during this period together with an explanation as to why these costs were incurred in order that the objective of the Administration to realise property in order to make a distribution to one or more secured or preferential creditors.

FRP provided assistance to the Company on a number of matters including, but not limited to:

- Liaising with the Directors and the Bank in respect of the administration strategy including undertaking a planning exercise for the wind down strategy;
- Undertaking appropriate preparatory work ahead of an administration appointment necessary for placing the Company into administration, for example securing statutory information, confirming the extent and location of the Company's books and records, and ensuring all statutory and regulatory requirements and obligations have been fulfilled;
- Dealing with appointment formalities; and
- Compiling all relevant information regarding the Company's debtors to enable them to be realised following the Administrators' appointment.

Gately provided assistance to the Company and the proposed Administrators on a number of matters including, but not limited to:

- Assisting the Directors in holding the required board meeting to pass the relevant resolutions to place the Company into administration;
- Providing advice in relation to potential ROT claims in relation to the Company's stock;
- Drafting the Notices of Intention to Appoint Administrators;
- Drafting the appointment documentation, filing in court, and serving on the relevant parties; and
- Liaising with the secured creditors for their consent for the appointment of Administrators.

Appendix D

Schedule of pre-administration costs

FRP

The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

Appendix E

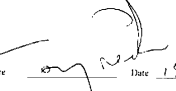
Directors' Statement of Affairs

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

D.N.T. Company Limited
A - Summary of Assets
As at 15 February 2024

Assets		Book Value £	Estimated to Realise £
Assets subject to fixed charge	FREEHOLD PROPERTY	201,033.00	201,033
	SHORT TERM INDEBTEDNESS	3,759	NIL
	DUE TO HSB	(40,405)	(40,405)
	CBILLS	(169,000)	(169,000)
	SHORTFALL TO HSB	(4,405)	(4,405)
	DEBTORS LEDGER	724,230	579,366
	DUE TO HSB IF	192,000	NIL
	SURPLUS TO HSB IF	(449,124)	(449,128)
	HSB SHORTFALL		110,156
	SURPLUS DEBTORS		(4,405)
Assets subject to floating charge			105,751
	SURPLUS DEBTORS		105,751
	FIXTURES ETC	31,381	1000
	STOCK	939,621	220,000
	OTHER DEBTORS	116,258	30,739
	PRE-PAYMENT	54,488	NIL
AVAILABLE TO PREFERENTIAL CREDITORS			357,490
Uncharged assets			
Estimated total assets available for preferential creditors			357,490

Signature  Date 18/3/24

D.N.T. Company Limited - in Administration
The Administrators' Proposals

Appendix E

Directors' Statement of Affairs

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

A1 -- Summary of Liabilities As at 15 February 2024

	Estimated to realise
	<u>557,490</u> £
Estimated total assets available for preferential creditors (carried from page A)	
Liabilities	
Preferential creditors -	<u>(13900)</u>
Estimated deficiency/surplus as regards preferential creditors	<u>544,590</u>
Secondary preferential creditors -	<u>(437,000)</u>
Estimated deficiency/surplus as regards secondary preferential creditors	<u>107,410</u>
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	
Estimated prescribed part of net property where applicable (to carry forward)	<u>NIL</u>
Estimated total assets available for floating charge holders	
Debts secured by floating charges post 14 September 2003	
Estimated deficiency/surplus of assets after floating charges	
Estimated prescribed part of net property where applicable (brought down)	<u>107,410</u>
Total assets available to unsecured creditors	<u>- 112,410</u>
Unsecured non-preferential claims (excluding any shortfall in floating charge holders)	<u>107,410</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of floating charges post 14 September 2003)	<u>3,415,930</u>
Estimated deficiency/surplus as regards creditors	<u>3,415,930</u>
Issued and called up capital	<u>1,100</u>
Estimated total deficiency/surplus as regards members	<u>3,529,240</u>

Signature  Date 15-3-24

Appendix E

Directors' Statement of Affairs

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

B COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
INTEGRATED SYSTEMS (UK) LTD	6 KESTRAL CRESCENT, DROMICH WICK 7 444	1,704.00	N/A	N/A	N/A
ISLAND STEEL UK LTD	ALEXANDRA DOCKS, NEWPORT NP23 2JL	6,333.43	N/A	N/A	N/A
KN WINDOW CLEANING	85 LOMAX DRIVE, KINGS NORTON BIRMINGHAM B30 1AH	35.00	N/A	N/A	N/A
LEDBINGTON REAR SHOP	KINGSWINFORD DY16 9SE	672.00	N/A	N/A	N/A
MAKESGALLA CARSON STEEL SPA	VIA BRESCIANI, 16, CAROLDO DEGLI IPPOLITI, 46040 ITALY	611,364.57	N/A	N/A	N/A
MB SYSTEM NETWORKS	THE STUDIO, 14 MYLESBURY RD SOLIHULL B37 4PD	131.72	N/A	N/A	N/A
METALOGIC	GLADSTONE HOUSE, ROTHERCROFT RD WALSLEY, DERBYSHIRE S610 9BT	916.00	N/A	N/A	N/A
SCHEERD RUTTEN REPAIRS	THE GRACET, KIDDERMINSTER ED DROITWICH W9 9 JAY	3,460.00	N/A	N/A	N/A
LOGISTICS LTD	BRIDGEMAN HOUSE, NORTH ROAD ELLISDALE PARK, CHWS 1AF	2,250.00	N/A	N/A	N/A
ROAD FREIGHT STORAGE LTD	WELLINGTON HOUSE, WELLINGTON INDUSTRIAL ESTATE, BEANED WY4 9EE	22.60	N/A	N/A	N/A
SAMAC STEEL SUPPLIES	LONGBOO HOUSE, 14-20 CHISWELL ST, LONDON EC1Y 4TD	26,726.63	N/A	N/A	N/A

Signature

Tommy Red

Date

18/3/24

Appendix E

Directors' Statement of Affairs

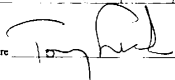
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FRP

B COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
ANIL K. MITTAL	FORE 2, RUSSELL WAY, SHIRELY	125,199.60	N/A	N/A	N/A
ARDEN METALS LTD	80 SOUTH HALL ROAD, SOUTHALL	287.21	N/A	N/A	N/A
BEAUMONT & KNIGHT	OSPREY HOUSE, PRINCE ROAD STEVENAGE SG1 3EE	150,438.09	N/A	N/A	N/A
BROWN & SONS LTD	COCKRAME HOUSE, PEDMORE RD BUDLEY DY2 0RL	524.56	N/A	N/A	N/A
CHRIS BILLS	34 MILFELDS WAY, WOMBOURNE	109.90	N/A	N/A	N/A
CREDITSAFE	WOLVERHAMPTON WVS SHIP BRYN HOUSE, CAERPHILLY BUSINESS	164.70	N/A	N/A	N/A
BUSINESS SOLUTIONS	PARK VERN ROAD, CAERPHILLY CF83 6CR	294.00	N/A	N/A	N/A
DEWHOLM LOGISTICS UK LTD	2ND FLOOR, 5 ST PAULS SQUARE OLD HALL ST, LIVERPOOL L3 9ST	718,293.66	N/A	N/A	N/A
DIAPERCO UK LTD	7 BIRCHIN LANE, LONDON	252.00	N/A	N/A	N/A
STERLING LTD	EC 3V 9BN 48-52 FLOODGATE ST BIRMINGHAM B5 5SL	45.48	N/A	N/A	N/A
UP LOGISTICS LTD	CICEL BUILDING, IMPERIAL PARK SOUTH LAKE DRIVE, NEWBET CF14 7AT	32,109.75	N/A	N/A	N/A
MCCI CREDIT SERV LTD	THE CRANKE, CRANKE AVENUE REAR 54, LEICESTER LE7 4FT				

Signature  Date 18/3/24

Appendix E

Directors' Statement of Affairs

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

B COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
SAMSUNG C&T CORPORATION	125 OLYMPIC RD, 35TH FLOOR, SONGNAM-KU, SEOUL, SOUTH KOREA	167,375.30	N/A	N/A	N/A
SEVENSTEEL	PENNYNE ROAD, DUBLIN D11 2HA	25,512.40	N/A	N/A	N/A
STEELSTRIP SERVICES LTD	CENTRO GALLERIA 2, VIA CANTONALE	25,512.40	N/A	N/A	N/A
SEVERAL EXPLORATION	MANNE, TIGAND, 1423, SWITZERLAND	111,316.70	N/A	N/A	N/A
TPA INTERNATIONAL	30 STAMFORD STREET, SOUTH BEND	301,141.94	N/A	N/A	N/A
HEARST ASIA PACIFIC	LONDON, SE1 9LQ	390.51	N/A	N/A	N/A
THE MERSIN DOCK & HARBOUR CO. LTD	MARITIME CENTRE, LIVERPOOL L21 1LA	134,583.14	N/A	N/A	N/A
THYSSEN KRUPP MATERIALS (UK) LTD	UNIT 2, WITCHMOOR POINT, GUISARAD	110,150	N/A	N/A	N/A
WIG DOWNS SHIPPING LTD	ALEXANDRA DOCK, NEWPORT NP23 2LW	457,000	N/A	N/A	N/A
WARRANT GROUP LTD	WARRANT HOUSE, 157 REGENT ROAD, LIVERPOOL, L5 7TF	115,000	N/A	N/A	N/A
H&BC			N/A	N/A	N/A
HMBK			N/A	N/A	N/A
FUNDINGCIRCLE			N/A	N/A	N/A

Signature

Date

[Signature] 18/3/24

Appendix E

Directors' Statement of Affairs

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016



BI COMPANY CREDITORS (DIRECTORS AND EMPLOYEES)

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
EMPLOYEES VARIOUS		£102,700	NIL	N/A	NIL

Signature

[Handwritten Signature]

Date

18/3/24

Directors' Statement of Affairs

FRP

Signature [Signature] Date 18.3.24