

AM23

Notice of move from administration to dissolution



Companies House

THURSDAY



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23/07/2020

#213

COMPANIES HOUSE

1 Company details

Company number 03526041

Company name in full Universal Heat Transfer Limited

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

2 Court details

Court name In the High Court of Justice, Business and Property Courts in Leeds,
Insolvency and Companies List (ChD)

Court number C R 2 0 1 8 - 7 4 9

3 Administrator's name

Full forename(s) Toby Scott

Surname Underwood

4 Administrator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

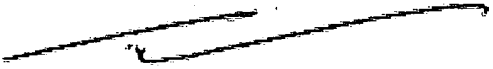
County/Region

Postcode L S 1 4 D L

Country United Kingdom

AM23

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5 Administrator's name ^①	
Full forename(s)	Peter David
Surname	Dickens
① Other administrator Use this section to tell us about another administrator.	
6 Administrator's address ^②	
Building name/number	1
Street	Hardman Square
Post town	Manchester
County/Region	
Postcode	M 3 3 E B
Country	United Kingdom
② Other administrator Use this section to tell us about another administrator.	
7 Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
8 Sign and date	
Administrator's signature	<div>Signature</div> <div>X  X</div>
Signature date	<div>^d2^d3^m0^m7^y2^y0^y2^y0</div>

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**Presenter information**

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

Contact name	James Moran
Company name	PricewaterhouseCoopers LLP
Address	Central Square
	29 Wellington Street
Post town	Leeds
County/Region	
Postcode	L S 1 4 D L
Country	United Kingdom
DX	
Telephone	0113 289 4067

**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 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

Joint administrators' final progress report from 27 January 2020 to 23 July 2020

Thornhill Heat Exchangers and
Universal Heat Transfer Limited
(both in administration)

High Court of Justice
Business and Property Courts in Leeds
Insolvency & Companies List (ChD)

Case No. 731 of 2018 and 749 of 2018

23 July 2020

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administrators/we/us/our	Lyn Leon Vardy and Toby Scott Underwood to 10 May 2019 Toby Scott Underwood and Peter David Dickens from 10 May 2019
Thornhill	Thornhill Heat Exchangers Limited
UHT	Universal Heat Transfer Limited
The Companies	Thornhill Heat Exchangers Limited and Universal Heat Transfer Limited together
Bank/QFCH	Barclays Bank plc, the secured creditor as qualifying floating charge holder
Purchaser	Thornhill Engineering Services Limited, Thornhill Rubber Limited and Thornhill Rail Limited, ultimately controlled by Rcapital Partners LLP
Eversheds	Eversheds Sutherland (International) LLP
LtO	Licence to Occupy
BEIS	Department for Business, Energy & Industrial Strategy
HMRC	HM Revenue & Customs
PwC	PricewaterhouseCoopers LLP
AMA	Accelerated Merger and Acquisition
CVL	Creditors' voluntary liquidation
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
unsecured creditors	Creditors who are neither secured nor preferential
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs

	set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	The agreement for the sale and purchase of the business and assets of Thornhill dated 27 July 2018 and made between Thornhill and the Purchaser
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
VAT	Value Added Tax

This report has been prepared by Toby Scott Underwood and Peter David Dickens as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

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

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/thornhill. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Toby Scott Underwood and Peter David Dickens have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

I'm pleased to let you know that our work in the administration of the Companies is now complete and so I set out below our final report.

You can still view our earlier reports on our website at www.pwc.co.uk/thornhill. Please get in touch with James Moran on 0113 289 4067 or at james.moran@pwc.com if you need the password to access the reports.

How much creditors have received

The following table summarises the final outcome for creditors.

Class of creditor	Thornhill	Thornhill	UHT	UHT
	Total paid (p in £)	Previous estimate (p in £)	Total paid (p in £)	Previous estimate (p in £)
Secured creditors	100	99-100	100	99-100
Preferential creditors	N/A	N/A	N/A	N/A
Unsecured creditors	0	0	0	0

The Bank's lending to the Companies (by virtue of a debt owed by Thornhill and guaranteed by UHT) as at the date of administration was £2,293,329 which was secured by a debenture dated 29 July 2011. This security gave the Bank fixed and floating charges over all the Companies' assets. As we have previously anticipated, the Bank has been repaid its lending in full (the final balance paid being £2,293,409.49 as per the attached receipts and payments account).

There are no known preferential creditors as all employees were transferred via TUPE to the Purchaser upon the sale of the business of assets, which followed our appointment.

The prescribed part is a fund that has to be made available for unsecured creditors. It is paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- subject to a maximum of £600,000.

The prescribed part applies in this case as there is a floating charge created on or after 15 September 2003.

As we previously reported, there was no prescribed part dividend for the unsecured creditors of either of the Companies because neither of them had any net floating charge realisations. In that case, the value of the prescribed part was nil.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

The administrations automatically end on 26 July 2020. In line with our proposals approved by creditors, on 23 July 2020 we filed notice of move from administration to dissolution. The Companies will be dissolved three months after the notice has been registered by the Registrar of Companies.

As decided by the secured creditors, we will be discharged from liability in respect of any of our actions as joint administrators when we cease to act on 23 July 2020.

Overview of our work

Why we were appointed

You may remember that when we were appointed, the position was as follows:

Thornhill was incorporated in 1989 and designed, serviced and manufactured the component parts of plate heat exchangers. Plate heat exchangers are used to remove heat from a number of engineering processes and therefore have a wide variety of uses across a number of industries including steel, rail, nuclear, offshore and power.

In June 2015 Thornhill acquired UHT, based at Atherstone (Warwickshire) to service and manufacture heat exchangers for the Industrial and Rail sectors.

Thornhill operated four divisions across three sites, in Grimethorpe (Yorkshire), Atherstone and Blaydon (County Durham) with each site having a certain speciality.

Grimethorpe was the largest and the original site of Thornhill, with 112 employees working there in total. Three warehouses were located at this site with the rubber and engineering divisions operating from here.

In July 2008, Thornhill purchased Bells Heat Transfer Limited in Blaydon, a company with a long standing history in servicing heat exchangers. This site had 13 employees and focused on the servicing of smaller heat exchangers.

The Atherstone site, acquired by the purchase of UHT in 2015, had a specialism in rail heat exchangers and 27 people were employed in this division.

Investment into new and growing industries and sectors had positioned the business for growth, however, the investments were not appropriately funded which resulted in significant pressure on cash.

The growth and investment into new industries, in particular engineering (which was mostly contractual in nature) meant that the investment and funding structure was inappropriate. There was a growing business with a strong order book that lacked the necessary investment to fully capitalise on this.

The business faced liquidity issues and creditor pressure, in particular from HMRC which was owed c.£1m in respect of VAT and PAYE liabilities.

PwC was first engaged in September 2017 and on a number of occasions thereafter to provide ad-hoc advice, cash flow reviews and advice on a potential refinance of Thornhill's lending facilities. Alternative funding options were explored but these were not deliverable for a number of reasons. The Companies could not continue without additional funding and it became apparent that an AMA process was required.

In June 2018 an AMA process was carried out with the assistance of PwC. This included contacting trading businesses from the UK and Europe known to have, or who were thought might have, an interest in the sector within which Thornhill operated. In addition to this, contact was made with several private equity houses – both those with sector experience and turnaround funds.

Marketing was pursued through direct approaches to these potential interested parties. A direct approach was thought to be the most appropriate marketing strategy due to the accelerated timescale and the immediate funding requirement, a key requisite being for a purchaser with the interest, capability and means to meet the required timescales.

The offer from the Purchaser for substantially all the business and assets of Thornhill was considered to be that which represented the best outcome for creditors.

The directors of Thornhill resolved to appoint us and the QFCH placed UHT into administration, with the intention of effecting a pre-pack sale of Thornhill's business and assets upon our appointment.

Sale of business and assets

In our Proposals and SIP16 report, we explained in detail the sale of the business and assets to the Purchaser. Those documents continue to be available online at www.pwc.co.uk/thornhill, the content of which is not repeated here unless considered necessary or beneficial for the purposes of this report.

The following factors were relevant in our decision to complete an immediate sale of the business:

- The sale resulted in all Thornhill employees transferring to the Purchaser, along with the granting of a licence to occupy all the Companies' leasehold properties. Therefore the sale also helped mitigate the level of unsecured creditor claims by reducing any contractual claims that could have arisen from supply contracts, redundancies, counter claims and leases that may also transfer.
- The sale enabled the statutory purpose of the administration to be achieved and represented the best outcome for creditors in the circumstances, in addition to ensuring the continuity services for its customers.

Leasehold properties

As we've previously stated, the Companies operated from four leasehold properties and, on appointment, an LTO for all of the leasehold properties was granted to the Purchaser for a period of ten months. Details of our work dealing with the Purchaser in relation to the properties, as well as our reasoning for obtaining an extension to the period of the administrations, were provided in our previous reports and is not repeated here.

During the period, we have liaised with one former landlord and taken steps to ensure there are no residual property matters prior to the end of the administrations.

Vehicles

Thornhill owned a number of vehicles which were not sold as part of the pre-pack sale as they were deemed as non-business critical. During the administration we have made efforts to locate the vehicles in order to sell them at auction.

We were unable to trace the whereabouts or current owners of the vehicles and concluded that further work to establish Thornhill's entitlements to the vehicles was not cost effective and was unlikely to result in any benefit to the estate.

Thornhill Australia shares

As we previously reported, we have liaised with Australian lawyers regarding the unpaid loan for the purchase of shares in respect of Thornhill Australia PTY Limited. Agreement was reached with the debtor in respect of our claim in this matter and a settlement figure of £10,000 was received into the Thornhill administration bank account during the current reporting period.

Connected party transactions

We have a duty (under SIP13) to disclose any disposal of assets in the administrations to a director or other connected party, regardless of the nature or value of the assets concerned.

We can confirm that no such transactions have occurred throughout the period of the administrations:

Realisation of other assets

During the current reporting period we have received £184 bank interest for Thornhill. This brings total interest received during the administrations to £1,653 for Thornhill and £3 for UHT.

Approval of our proposals

We issued to creditors our proposals dated 2 August 2018 for achieving the purpose of administration.

We said in our proposals that we thought the Companies did not have enough assets to pay a dividend to unsecured creditors.

This meant that we did not have to seek a decision from creditors regarding the approval of our proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our proposals were treated as approved on 17 August 2018.

We attach a summary of our proposals at Appendix A.

Changes of administrator

Lyn Leon Vardy, one of the previous joint administrators, has left the firm. An application was made to the Court to remove him as an administrator of the Companies and appoint Peter David Dickens. The application was granted and so Lyn Leon Vardy was replaced as joint administrator with effect from 10 May 2019.

Creditors had 28 days from our published advertisement noting the above change on 14 May 2019 to apply to Court to vary or discharge the Court order.

No such application was made and so Lyn Leon Vardy was released from all liability in respect of his conduct as administrator with effect from 11 June 2019.

Investigations and actions

Nothing came to our attention during the administrations to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Tax clearance

We have fulfilled our duties as proper officers for tax during the administration and have filed VAT and corporation tax returns for all relevant accounting periods.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administrations from 27 January 2020 to 23 July 2020.

Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

Our fees

During the current reporting period we prepared and issued our remuneration report for Thornhill. Our fee proposals were approved by the secured creditor and we set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

Pre-administration costs

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

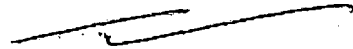
You can also get a copy free of charge by telephoning James Moran on 0113 289 4067.

Next steps

Following the filing of the move from administration to dissolution for each of the Companies, they will be dissolved three months after the notice has been registered by the Registrar of Companies.

If you've got any questions, please get in touch with James Moran on 0113 289 4067.

Yours faithfully



Toby Underwood
Joint administrator

Appendices

Appendix A: Summary of our proposals

The Administrators made the following proposals for achieving the purpose of administration.

1. In this case, we're following objective (b) for both of the Companies, to achieve a better result for creditors than would be likely if the Companies were wound up (without first being in administration). Our job is to manage the Companies until creditors agree our proposals for achieving the purpose of the administration and we've implemented them so far as possible. After that the administrations will end.
2. In accordance with paragraph 52(1)(b) Sch Br IA 1986 we're not seeking a decision from creditors to approve our proposals because we think the Company doesn't have enough assets to pay a dividend to unsecured creditors. So, our proposals will be treated as approved unless enough creditors ask us to seek a decision to approve them. This would happen if at least 10% in value of the total creditors ask us to do so (in line with rule 15.18 IR16) within eight business days of the date we deliver the proposals to you.
3. As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of the Companies in the three years before our appointment. We have to submit our findings to BEIS within three months of our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Companies' assets. If you think there is something we should know about and you haven't yet told us, please write to me. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

4. As we've said above, we don't think there will be a dividend for unsecured creditors. Assuming that's the case, once we've finished our work we'll file a notice with the Registrar of Companies and the Companies will be dissolved three months later. If we think there are matters that should be conducted/investigated in a liquidation rather than in the administrations we may instead apply for a court order ending the administrations and for the relevant company or companies to be wound up.
5. If it transpires that there will be a dividend payable to unsecured creditors, we'll put the relevant company or companies into creditors' voluntary liquidation so that the liquidator can pay a dividend. If this happens, we propose that Lyn Leon Vardy and Toby Scott Underwood are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with paragraph 83(7)(a) of Sch 31 IA1986 and rule 3.60(6) IR16.

Appendix B: Receipts and payments

Thornhill Heat Exchangers Limited - In administration				
Statement of Affairs (£)		From 27 July 2018 to 26 January 2020 (£)	From 27 January 2020 to 23 July 2020 (£)	From 27 July 2018 to 23 July 2020 (£)
Fixed Charge realisations				
2,023,422.00	Bank debts	2,023,423.00	-	2,023,423.00
	Plant and Machinery	249,500.00	-	249,500.00
	Goodwill	1,700.00	-	1,700.00
292,000.00	Plant & Machinery	-	-	-
	Total	2,274,623.00	-	2,274,623.00
Fixed Charge cost of realisations				
(2,311,766.00)	Distribution to chargeholder	(2,274,623.00)	-	(2,274,623.00)
	Total	(2,274,623.00)	-	(2,274,623.00)
Fixed Charge balance				
		-	-	-
Floating Charge realisations				
3,000.00	Motor vehicles	40,527.50	-	40,527.50
	Plant and machinery	798.39	-	798.39
198,000.00	Stock	198,000.00	-	198,000.00
47,806.00	Investments	-	10,000.00	10,000.00
	Office holders' fees	-	8,562.25	8,562.25
	Third party funds	30,957.32	22,408.97	53,366.29
	Loan account**	871.88	-	871.88
	Bank interest	1,659.62	183.60	1,653.22
	Pre-appointment refunds	786.66	-	786.66
	Total	273,411.37	39,154.82	312,566.19
Floating Charge cost of realisations				
	Legal fees & disbursements	-	(16,656.50)	(16,656.50)
	Professional fees	(1,093.00)	-	(1,093.00)
	Office holders' fees	-	(116,265.66)	(116,265.66)
	Office holders' disbursements	-	(2,332.36)	(2,332.36)
	Motor vehicles	(27.50)	-	(27.50)
	Third party funds	(30,514.36)	(22,851.93)	(53,366.29)
	Storage	(5,042.94)	(586.74)	(5,629.68)
	Statutory advertising	(225.00)	-	(225.00)
	Insurance	(4,465.15)	(3,718.40)	(8,183.55)
	Distribution to floating charge holder	(8,799.31)	(9,987.18)	(18,786.49)
	Agents fees	(3,695.00)	-	(3,695.00)
	Bank charges	(12.50)	(2.71)	(15.21)
	Corporation tax	-	(613.01)	(613.01)
	Loan account	(871.88)	-	(871.88)
	Irrecoverable VAT*	(623.01)	-	(623.01)
	Pre-administration fees & disbursements	-	(45,822.00)	(45,822.00)
	Pre-administration legal fees & disbursements	(38,160.05)	-	(38,160.05)
	Total	(93,529.70)	(219,036.49)	(312,566.19)
	Floating Charge balance	179,881.67	(179,881.67)	-
	VAT credit of account**	(7,768.36)	7,768.36	-
	Balance in recharge account (see separate RSP)	-	-	-
	Amount of prescribed part dividend	-	-	-
	Funds held in non-interest bearing Barclays account	172,113.31	(172,113.31)	-

*Shown as "Assets subject to fixed charge" on Statement of Affairs

**Following a review of our file prior to closure, corrective adjustments to our receipts and payments account for the prior period have been processed, resulting in the figures above differing from the cumulative balances shown in our last report. These movements had no effect on the cash position.

Appendix A
Thornhill Heat Exchangers Limited - in administration
Recharge account

	Total for the period 27 July 2018 to 26 January 2020	Total for the period 27 January 2020 to 23 July 2020	Total for the period 27 July 2018 to 23 July 2020
Receipts	(£)	(£)	(£)
Licence Fee	344,663.40	-	344,663.40
Insurance	1,386.56	-	1,386.56
Total	<u>346,049.96</u>	<u>-</u>	<u>346,049.96</u>
Payments	(£)	(£)	(£)
Rents	(344,663.40)	-	(344,663.40)
Insurance	(1,386.56)	-	(1,386.56)
Total	<u>(346,049.96)</u>	<u>-</u>	<u>(346,049.96)</u>
Net Receipts/Payments	<u>-</u>	<u>-</u>	<u>-</u>
Balance	<u>-</u>	<u>-</u>	<u>-</u>

Appendix A
Universal Heat Transfer Limited - in administration

Statement of Affairs (£)	Total for the period 27 July 2018 to 26 January 2020	Total for the period 27 January 2020 to 23 July 2020	Total for the period 27 July 2018 to 23 July 2020
Receipts	(£)	(£)	(£)
Licence fee	52,285.44	-	52,285.44
Bank interest	2.96	-	2.96
Loan account	871.88	-	871.88
Total	<u>53,160.28</u>	<u>-</u>	<u>53,160.28</u>
Payments	(£)	(£)	(£)
Rents	(52,258.70)	-	(52,258.70)
Bank charges	(0.31)	(29.39)	(29.70)
Loan account	(871.88)	-	(871.88)
Total	<u>(53,130.89)</u>	<u>(29.39)</u>	<u>(53,160.28)</u>
VAT control account			
Funds held in non-interest bearing Barclays account	<u>29.39</u>	<u>(29.39)</u>	<u>0.00</u>

Appendix C: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense in the subsequent liquidation because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix B, which shows expenses actually paid during the period and the total paid to date.

Thornhill

	Brought forward from preceding period £	Incurred in the period under review £	Total £
Office holders' expenses	2,322.36	10.00	2,332.36
Insurance	4,104.85	1,467.20	5,572.05
Professional fees	1,093.00	-	1,093.00
Agents fees	3,695.00	-	3,695.00
Legal fees and disbursements	13,156.20	3,500.00	16,656.20
Storage	2,521.47	293.37	2,814.84
Statutory advertising	150.00	-	150.00
Corporation tax	-	813.01	813.01
Pre-administration costs	45,822.00	-	45,822.00
Pre-appointment legal/professional fees	38,161.00	-	38,161.00
Total	111,025.88	6,083.58	117,109.46

UHT

	Brought forward from preceding period £	Incurred in the period under review £	Total £
Office holders' expenses	712.05	10.00	722.05
Insurance	1,435.50	392.00	1,827.50
Legal fees	2,062.50	-	2,062.50
Storage	2,521.47	293.37	2,814.84
Statutory advertising	75.00	-	75.00
Total	6,806.52	695.37	7,501.89

Appendix D: Remuneration update

During the current period, we sought and obtained fee approval on the following basis in respect of Thornhill's estate only:

- A percentage of realisations basis of 100%.

Upon our appointment, Thornhill's business and assets were sold to the Purchaser. In accordance with the terms of the sale agreement, we assisted the Purchaser with the novation of contracts to them from the Company. The Purchaser is obliged to meet our associated costs and the estate has recovered these costs from them, which total £6,563 net. We therefore sought a percentage of realisations basis in relation to this work, being 100% of the costs net of VAT paid to us by the Purchaser.

- A fixed fee of £120,000 in relation to all other work in the administration.

Our fees were approved on the above basis by the secured creditor on 6 July 2020.

Whilst we have approval to draw a fixed fee of £120,000, there was slightly less funds available and so we have drawn the amount which was available in the estate (after settling Thornhill's other expenses, in accordance with the rule of priority), being £116,265.66, and as shown on the enclosed receipts and payments account.

We set out later in this Appendix details of our work, disbursements, subcontracted work and payments to associates.

Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<ul style="list-style-type: none"> • Strategy and planning 	<ul style="list-style-type: none"> • Monitored and internally reported costs • Team strategy and progress meetings • Six monthly manager and appointee case progression reviews • Prepared and implemented closure strategy 	<ul style="list-style-type: none"> • Ensured orderly and efficient management of the case • Required by statute or regulation
<ul style="list-style-type: none"> • Property 	<ul style="list-style-type: none"> • Issued final communications to landlords and confirmed no outstanding property matters 	<ul style="list-style-type: none"> • Ensured efficient case progression
<ul style="list-style-type: none"> • Assets 	<ul style="list-style-type: none"> • Finalised recovery of sum agreed in settlement of our claim regarding sale of shares in associated company • Ensured sums held in pre-appointment bank account were identified and allocated correctly 	<ul style="list-style-type: none"> • Potential recoveries for creditors
<ul style="list-style-type: none"> • Secured creditors 	<ul style="list-style-type: none"> • Reported to secured creditors • Made final distribution to secured creditors 	<ul style="list-style-type: none"> • Updated creditors and kept them informed of case progression • Distribution of funds to creditors
<ul style="list-style-type: none"> • Unsecured creditors 	<ul style="list-style-type: none"> • Dealt with creditor enquiries 	<ul style="list-style-type: none"> • Updated creditors and

	<ul style="list-style-type: none"> Reported to unsecured creditors 	<ul style="list-style-type: none"> kept them informed of case progression
<ul style="list-style-type: none"> Statutory and compliance 	<ul style="list-style-type: none"> Finalised and issued third progress report Issued remuneration report Liaised with secured creditors regarding approval of fees Prepared and issued final progress report Filing and case management 	<ul style="list-style-type: none"> Complied with statutory obligations
<ul style="list-style-type: none"> Tax and VAT 	<ul style="list-style-type: none"> Liaised with internal tax and VAT teams Prepared and submitted periodic and final VAT returns Prepared and submitted tax periodic and final returns 	<ul style="list-style-type: none"> Required by statute or regulation
<ul style="list-style-type: none"> Accounting and treasury 	<ul style="list-style-type: none"> Processed receipts and payments Bank reconciliations Closed bank accounts 	<ul style="list-style-type: none"> Complied with statutory obligations Secure stewardship of funds
<ul style="list-style-type: none"> Closure 	<ul style="list-style-type: none"> Obtained clearances Closed down systems 	<ul style="list-style-type: none"> Required by statute or regulation Ensured orderly closure of case

Our previous work

Whilst this is our first report since fee approval was given, in our previous reports we have included an explanation of the work involved during those periods (none of which is therefore repeated in this report).

Payments to associates

We have not made any payments to associates during the course of the administrations.

Disbursements

We didn't need to get approval to draw expenses or disbursements unless they were for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called 'Category 2' disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allowed for all properly incurred expenses to be recharged to the administration and has been approved by the secured creditor where required.

The following disbursements arose in the period of this report.

Thornhill

Category	Policy	Costs incurred £
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Insurance	10.00
	Total for the period	10.00
	Brought forward from previous period	2,322.36
	Cumulative total	2,332.36

UHT

Category	Policy	Costs incurred £
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Insurance	10.00
	Total for the period	10.00
	Brought forward from previous period	712.05
	Cumulative total	722.05

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administrations where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work throughout the period of the administrations.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> • Drafting and review of sales contract • Advice regarding impending administration • Advice and legal assistance regarding third party assets • Advice and legal assistance regarding intangible assets 	<ul style="list-style-type: none"> • Eversheds Sutherland (International) LLP 	<ul style="list-style-type: none"> • Industry knowledge and insolvency expertise 	<ul style="list-style-type: none"> • Time costs and disbursements
IT Services, including: <ul style="list-style-type: none"> • Capturing data from Company systems upon appointment 	<ul style="list-style-type: none"> • AAG IT Services Limited 	<ul style="list-style-type: none"> • Existing relationship with Thornhill prior to our appointment 	<ul style="list-style-type: none"> • Fixed fee

We require all third party professionals to submit time costs analyses and narrative and where applicable a schedule of realisations achieved in support of invoices rendered. We undertake to review the narrative, work undertaken, time charged and value added in respect of professional firms' costs.

Appendix E: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment on 6 July 2020.

Nature of costs	Amount (£)
Fees and disbursements charged by the administrators	45,822
Expenses incurred by the administrators	38,161
Total	83,983

Appendix F: Other information

	Thornhill	UHT
Court details for the administration:	In the High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)	In the High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
	Case number CR-2018-731	Case number CR-2018-749
Company's registered name:	Thornhill Heat Exchangers Limited	Universal Heat Transfer Limited
Trading name:	Thornhill Heat Exchangers Limited	Universal Heat Transfer Limited
Registered number:	02370591	03526041
Registered address:	Central Square, 29 Wellington Street, Leeds, LS1 4DL	Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	27 July 2018	27 July 2018
Joint administrators' names, addresses and contact details:	<p>Lyn Leon Vardy and Toby Scott Underwood of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL until 10 May 2019</p> <p>Toby Scott Underwood of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Peter David Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester, M3 3EB from 10 May 2019</p> <p>Contact: james.moran@pwc.com 0113 289 4067</p>	<p>Lyn Leon Vardy and Toby Scott Underwood of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL until 10 May 2019</p> <p>Toby Scott Underwood of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Peter David Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester, M3 3EB from 10 May 2019</p> <p>Contact: james.moran@pwc.com 0113 289 4067</p>
Extension(s) to the initial period of appointment:	Twelve month extension granted to 26 July 2020	Twelve month extension granted to 26 July 2020