

# AM10

## Notice of administrator's progress report



Companies House

MONDAY



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20/07/2020

#68

COMPANIES HOUSE

### 1 Company details

Company number 0 5 7 6 2 9 3 4

Company name in full Addition Manufacturing Technologies U.K. Limited

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

### 2 Administrator's name

Full forename(s) Sarah

Surname Bell

### 3 Administrator's address

Building name/number Duff & Phelps Ltd

Street The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country England

### 4 Administrator's name ①

Full forename(s) Steven

Surname Muncaster

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Duff & Phelps Ltd

Street The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country England

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d 2	d 3	m 1	m 2	y 2	y 0	y 1	y 9
To date	d 2	d 2	m 0	m 6	y 2	y 0	y 2	y 0

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*James Bell*

X

Signature date

d 1	d 7	m 0	m 7	y 2	y 0	y 2	y 0
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# AM10

## Notice of administrator's progress report



### 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 Daniel Ryan

Company name Duff & Phelps Ltd

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country England

DX

Telephone 0161 827 9000



### 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

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DUFF & PHELPS

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# Progress Report to Creditors

17 July 2020

**Addition Manufacturing  
Technologies U.K. Limited  
(In Administration)**

*Joint Administrators' Progress Report to Creditors  
For the period from 23 December 2019 to 22 June 2020.*

Duff & Phelps Ltd.  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW

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## **1. Introduction**

The Joint Administrators were appointed on 23 December 2019 by the Directors by an order in the High Court of Justice in Manchester, Business & Property Court number 1348 of 2019.

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' Statement of Proposals.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 9.

## **2. Creditor summary**

This Progress Report covers the six-month period from the Appointment Date to 22 June 2020.

### **Summary of Proposals**

A summary of the Proposals is included at Appendix 2. A copy of the Statement of Proposals is available on the Duff & Phelps website at <http://www.duffandphelps.com/ukrestructuring>.

As detailed in the Proposals, the first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators anticipate that they will achieve the second objective as a sale of part of the Company's business and assets was completed on a going concern basis which is expected to result in a better result for the Company's creditors as a whole than would have been achieved if the Company were wound up without first being in Administration. Further information is detailed in Section 3.

The Joint Administrators have also achieved the third objective as a distribution to Huntington as holders of a fixed and floating charge over the Company's assets has been made in the Reporting Period.

### **Progress to date**

The Joint Administrators traded the Company in Administration with a view to pursuing a going concern sale of the Company's business and assets, as it was considered that achieving a sale as a going concern would lead to asset realisations being enhanced and preferential creditor claims minimised.

Upon their appointment, the Joint Administrators attended the Company's trading premises to take charge of and secure the assets of the Company and undertake an immediate review of the Company's financial and operational position.

Continuation of trade assisted with the completion of work in progress, allowing for the fulfilment of orders from stock held at the Company's premises, and to facilitate collection of pre-Administration book debts. At the Appointment Date, outstanding book debts totalled in excess of £3 million, however a significant proportion of this related to intra group balances which, due to the wider group insolvency and contra claims, are not expected to be recovered.

Duff & Phelps began their marketing process in December 2019, circulating a confidential "Teaser Document" advising of the availability of the Company for sale to 857 contacts from an internal, pre-existing database.

The marketing exercise generated interest, with the Joint Administrators liaising with the Secured Creditor, the Agents, and the interested parties to negotiate and move towards completing a sale. Following a negotiation period, part of the business and assets of the Company was sold to Addison Forming Technologies Limited ("the Purchaser") on 21 May 2020.

#### **Outcome for Creditors**

Huntington hold a debenture from the Company, which confers fixed and floating charges over all of the assets of the Company dated March 2015. It is estimated that Huntington was owed approximately £3.3 million across the global group. While it is anticipated that there will be insufficient realisations to facilitate repayment to Huntington in full, the Joint Administrators have been able to distribute £225,000 to Huntington to date.

Redcoat holds fixed and floating charges over all of the assets of the Company dated July 2017. The Joint Administrators have made enquiries to establish the indebtedness of Redcoat as at the Appointment Date, but at this stage it is unlikely that there will be sufficient realisations to make a distribution to Redcoat from the Administration.

As the sale agreement only included part of the business, ten employees were made redundant at the transaction date. The Joint Administrators arranged for these employees to be able to make claims with the Redundancy Payments Service.

According to the Company's books and records, Unsecured Creditors totalled £1,853,911 as at the Appointment Date. It is currently anticipated that there will be insufficient realisations to enable a distribution to Unsecured Creditors other than by virtue of the Prescribed Part.

### **3. Progress of the Administration**

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

#### **3.1 Strategy and progress to date**

From the outset, the purpose of an Administration is to achieve one of the following hierarchical objectives:

- To rescue the Company as a going concern; or
- Achieve a better result for the Company's creditors than what would be likely if a wind up had been pursued (without first being in Administration); or
- Realising property in order to make a distribution to one or more Secured or Preferential Creditors.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators achieved the second objective as a better result for the Company's creditors was achieved than would have been possible if the Company was wound up without first being in Administration for the reasons listed below.

- The sale of part of the business and assets has enhanced realisations in respect of both the tangible and non-tangible assets of the Company. If the Company had been wound up, it is likely that realisations for the assets would have been significantly less than would have been achieved in the Administration.
- The Company was also able to continue trading in Administration, which enabled the sale of part of the business on a going concern basis and protected the future value in the ongoing contracts and orders.
- The continuation of trade with the Company's customers has also facilitated the collectability of the debtor ledger as contracts have continued to be fulfilled. This has limited the level of disputes which would likely be received if the Company was wound-up and ceased to trade.
- The sale of part of the business as a going concern also minimised employee claims against the Company as the majority of employees had their contracts transferred under TUPE regulations.

The Joint Administrators have also achieved the third objective as a distribution has been made to Huntington as Secured Creditor.

#### **3.2 Asset realisations**

Realisations during the period are set out in the attached receipts and payments account at Appendix 3.

Summaries of the most significant realisations during the Administration are provided below:

##### **3.2.1 Sale of Business**

Duff & Phelps began their marketing process in December 2019, circulating a confidential "Teaser Document" advising of the availability of the Company for sale to 857 contacts from an internal, pre-existing database.

The marketing exercise generated interest, with the Joint Administrators liaising with the Secured Creditor, the Agents, and the interested parties to negotiate and move towards completing a sale.



However, in March 2020 due to the COVID-19 pandemic, the Company was forced to temporarily cease to trade in line with Government guidelines with all staff being placed onto Furlough.

Due to the uncertainty surrounding the business, and the economy generally, interested parties became uncertain as to whether they would continue with any acquisition process. Following a period of lengthy negotiation, including the Company's management team, a revised offer was received for part of the Company's business and assets.

This offer was recommended for acceptance by the Agents and the Joint Administrators. In light of this, part of the business and assets of the Company were sold to the Purchaser on 21 May 2020.

The breakdown of the sale consideration is summarised below:

Asset	Consideration £
Equipment	11,000
Stock	68,996
Contracts	1
Goodwill	1
Intellectual Property	1
Computer Systems	1
<b>Total</b>	<b>80,000</b>

The consideration was set at £80,000, with £40,000 being paid on the date of completion, followed by five equal, consecutive, monthly instalments of £8,000, with the first falling due on 21 June 2020.

The initial consideration is being held by the Solicitors and as such is not shown in the Receipts and Payments account at Appendix 3.

The first deferred consideration payment has been paid by the Company, however, as this was received outside of the Reporting Period, this is not included in the Receipts and Payments Account at Appendix 3.

In addition, the Joint Administrators have granted a licence to occupy the Company's leasehold premises for a period of six months.

At the point of sale, the Purchaser took up responsibility of the contracts of eighteen employees under TUPE. With the exclusion of this part of the business, ten employees were made redundant from the Company.

### 3.2.2 Book Debts

As at the Appointment Date, the outstanding book debts totalled in excess of £3 million, however a significant proportion of this related to intra-group balances and, due to the insolvency of the wider group and contra claims, these are not expected to be recovered. Trade debtors totalled approximately £272,000, subject to foreign exchange rate differences.

The ledger continues to be collected. To date, debtor realisations of £198,539 have been received by the Joint Administrators.

The Purchaser, for a collection fee, continues to collect the remaining debtors on behalf of the Joint

Administrators.

In order not to prejudice future collections, no further information can be provided at this time.

### **3.2.3 Plant and machinery**

The Company owned various plant, machinery, and equipment, which were held at the Company's premises. These were included in the purchase at a value of £11,000

### **3.2.4 Motor vehicles**

Whilst the Company did operate a fleet of motor vehicles, these were held on finance agreements. During the Reporting Period the finance companies, pursuant to their finance agreements, rescinded the Company's rights to use the vehicles and collected them. As such, no value has been attributed to these in the transaction with the Purchaser.

### **3.2.5 Inventory and work in progress**

The Company utilised its inventory and work in progress to facilitate ongoing trading requirements. Residual inventory and work in progress formed part of the sale agreement.

### **3.2.6 Cash at bank**

As at the appointment date, £317,955 was held at the Company's bank. This amount was transferred to the Administration account.

### **3.2.7 Other assets**

The Joint Administrators are not aware of any other assets available to the Company.

### **3.2.8 Investigations**

The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of all Directors that held office in the three years prior to the Administration. The Joint Administrators have filed their report regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

There are no outstanding lines of enquiry.

## **3.3 Costs**

Payments made in the Reporting Period are set out in the attached Receipts and Payments account at Appendix 3.

Summaries of the most significant payments during the Administration are provided below:

### **3.3.1 Trading Expenditure**

The Joint Administrators traded the business over the period 23 December 2019 to 21 May 2020.

The Joint Administrators chose to trade the Company in Administration with a view to executing the sale of the business and assets on a going concern basis, therefore, maximising returns for creditors. Had the Company ceased to trade this would not have been possible and realisations would likely be significantly reduced.

During the trading period, costs were incurred to continue trading the business, and payments have been made to cover items such as employee expenses, wages, utilities and maintenance, and direct materials.

Trading expenditure during the period totalled £386,413. A breakdown of trading expenditure is summarised at Appendix 3.

The Joint Administrators are in the process of finalising their trading account including the ongoing collection of debtors from the Trading Period. Whilst the Joint Administrators originally forecast a trading surplus, this is now expected to be a small trading loss due to the loss of revenue following the temporary cessation of trading due to COVID-19. The Receipts and Payments Account at Appendix 3 is shown on a cash accounting basis and therefore does not include revenue generated in the trading period that will be attributed to the Trading Period. As such, the loss of £115,313 currently shown at Appendix 3 will be reduced as debtors are collected.

### **3.3.2 Solicitors' fees**

The Joint Administrators have incurred solicitor's fees in relation to assistance provided in dealing with the sale of the business and assets of the Company and other ad hoc legal matters. No fees have been paid in the Reporting Period however, fees of c£45,000 have been incurred, as shown in Appendix 4.

### **3.3.3 Agents' fees**

The Joint Administrators have incurred agent's fees in relation to the valuation of the physical assets of the Company prior to the sale and advice during the Reporting Period. No fees have been paid to date.

### **3.3.4 Other Costs**

The remaining costs, including Joint Administrators' fees and expenses and pre-Administration costs are detailed later in this report (see section 6).

The remaining costs are self-explanatory.

A further reconciliation shall be provided in the next report to creditors.

## **3.4 Schedule of expenses**

The Joint Administrators have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

## **4. Outcome for Creditors**

### **4.1 Secured Creditors**

#### **4.1.1 Huntington National Bank**

In consideration for the monies advanced under a loan facility, the Company granted a debenture to Huntington, which confers fixed and floating charges over all of the assets of the Company dated March 2015. The debenture was cross guaranteed across the global Addition Manufacturing Group.

As at the Appointment date, it is understood that Huntington is owed approximately £3.3 million across the global group.

The Joint Administrators have made two distributions to Huntington, totalling £225,000.

It is anticipated that there will be insufficient realisations to repay Huntington in full.

#### **4.1.2 Redcoat LLC**

In consideration of monies advanced, the Company granted a debenture to Redcoat, which confers fixed and floating charges over all of the assets of the Company dated July 2017. The debenture is cross guaranteed across the Addition Manufacturing Group.

The Joint Administrators are making enquiries to establish the indebtedness of Redcoat at the Appointment Date.

It is currently anticipated that there will be insufficient realisations to make a distribution to Redcoat.

#### 4.2 Preferential Creditors

The Company had thirty-two employees at the Appointment Date. At the point of sale, eighteen employees had their employment contracts adopted by the purchaser, with the ten remaining employees being made redundant due to the exclusion of parts of the business from the sale.

The Joint Administrators submitted a case to the Redundancy Payment Service on behalf of the nine U.K. based employees that had been made redundant. The employees were allowed to claim statutory redundancy pay from the RPS.

One of the redundant employees acted as a representative of the Company in Slovakia. This employee was subject to Slovakian redundancy regulation and will see their case progressed locally.

The Joint Administrators are not aware of any further liability to Preferential Creditors.

#### 4.3 Unsecured Creditors

According to the Company's records, and a claim issued by HMRC, the Unsecured Creditors totalled £1,853,911 as at the Appointment Date. A summary of the creditor claims is provided below:

Unsecured Creditors	Total (£)
Trade & Expense Creditors	264,791
Intra-Group Creditors	1,492,757
HMRC	96,363
<b>Total</b>	<b>1,853,911</b>

It is anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditors, other than by virtue of the Prescribed Part. However, this is contingent on the level of realisations achieved from the sale of the Company's assets, the cost of the Administration, and the value of any preferential creditors (should any arise).

#### 4.4 Prescribed part

The Prescribed Part is calculated as a percentage of net property, as follows:

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the Unsecured Creditors would be disproportionate to the benefits
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Company granted a floating charge to Huntington in March 2015, and the provisions of the Prescribed Part will therefore apply.

The timing of the Prescribed Part is not yet known and will be communicated to Creditors in due course.

## **5. Other matters**

### **5.1 Creditors' Committee**

A creditor's committee has not been established as the Joint Administrators received insufficient nominations.

### **5.2 Joint Administrators' Receipts and Payments account**

A detailed receipts and payments account for the Reporting Period is shown in Appendix 3, together with a cumulative account for the whole of the Administration.

### **5.3 Statement of Creditors' rights**

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 9, Statement of Creditors' Rights.

## **6. Joint Administrators' fees and expenses and pre-Administration costs**

### **6.1 Fees and expenses**

Upon a review of our hourly rates, inflation and industry averages, Duff & Phelps' hourly charge out rates have been revised to reflect market rates. Rate changes will apply to all appointments held by employees of Duff & Phelps.

Time is charged in 6-minute units and set out below are the hourly rates, with effect from 1 February 2020, excluding VAT:

	£
Partners	650 - 750
Managers / Directors	390 - 665
Seniors	250 - 380
Assistants / Support Staff	50 - 200

#### **6.1.1 Time costs**

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the reporting period total £140,699, which represents 452 hours at an average hourly rate of £311.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

#### **6.1.2 Fees**

The Joint Administrators proposed a fee cap of £175,400, with approval to be sought from the Secured Creditors.

The proposed fee request has been issued, but a response is yet to be received. The Joint Administrators will continue to liaise with the Secured Creditors in pursuit of approval. No remuneration has been drawn to date.

#### **6.1.3 Expenses and disbursements**

Details of the expenses charged for the reporting period are attached at Appendix 4.

#### 6.1.4 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 7.

#### 6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Duff & Phelps Ltd fees	15,000.00	29,027.25	44,027.25
Duff & Phelps Ltd disbursements	0.00	61.45	61.45
Gateley fees	15,000.00	10,410.90	25,410.90
Gateley disbursements	0.00	277.00	277.00
SIA fees	0.00	4,850.00	4,850.00
SIA disbursements	0.00	107.59	107.59
<b>Total</b>	<b>30,000</b>	<b>44,734.19</b>	<b>74,734.19</b>

The above costs exclude VAT.

The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 3.52 of the Rules and was therefore subject to approval under Paragraph 53, Schedule B1 of the Act.

Approval of pre-Administration costs falls to the Secured Creditors. As noted above, the Joint Administrators will continue to liaise with the Secured Creditors in this regard.

#### 7. Future strategy

##### 7.1 Future conduct of the Administration

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

- Continue collection of deferred consideration;
- Finalise the collection of the book debts;
- Finalise tax matters with HMRC;

- Settle all outstanding costs of the Administration;
- Complete all other statutory matters prior to finalising the Administration;
- Pay a dividend to the Unsecured Creditors by way of the Prescribed Part;
- Undertake a final distribution to Huntington under its security.

## **7.2 Extension of the Administration**

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

It is not currently anticipated that the Joint Administrators will require an extension to the period of the Administrations, however if extensions are granted, notices of the extensions will be made available for viewing and downloading from the from the Duff & Phelps website at:

<http://www.duffandphelps.com/ukrestructuring>

## **7.3 Future reporting**

The Joint Administrators will provide a further progress report within one month of every six months or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Daniel Ryan of this office.



**Sarah Bell**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Sarah Bell and Steven Muncaster, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners' Association.

## Appendix 1 – Statutory information

### COMPANY INFORMATION

<b>Company and trading name</b>	Addition Manufacturing Technologies U.K. Limited	
<b>Date of incorporation</b>	30 March 2006	
<b>Registered Number</b>	05762934	
<b>Company Director(s)</b>	Philip Thomas Aspinall Charles Gonzales	
<b>Trading address</b>	187-188 Bradkirk Place Walton Summit Centre Bamber Bridge Preston PR58AJ	
<b>Registered office</b>	<b>Current:</b> Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester	<b>Former:</b> 188 Bradkirk Place Walton Summit Centre Bamber Bridge Preston PR58AJ

### ADMINISTRATION INFORMATION

<b>Administration Appointment</b>	The Administration appointment granted in the High Court of Justice in Manchester, Business and Property Courts, Number 1348 of 2019	
<b>Appointor</b>	Company Directors	
<b>Date of Appointment</b>	23 December 2019	
<b>Joint Administrators</b>	Sarah Bell Steven Muncaster	
<b>Original purpose</b>	To achieve a better result for the Company's creditors as a whole than would be likely if it were wound up without first being in Administration	
<b>Functions</b>	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
<b>Current Administration expiry date</b>	23 December 2020	
<b>Prescribed part</b>	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 7).	
<b>Application of EC Regulations</b>	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	



## Appendix 2 – Approved Proposals

The Joint Administrators proposed the following:

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors;
- To seek an extension to the Administration period if considered necessary;
- To make distributions to the Secured Creditors where funds allow;
- To make distributions to the unsecured creditors from the prescribed part, where applicable;
- To make further distributions to the unsecured creditors over and above the prescribed part, if funds become available and apply to court for authority to do so, where applicable.
- That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:
  - Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
  - Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
  - Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Sarah Bell and Steven Muncaster of Duff & Phelps, would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
  - Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies, if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

The Joint Administrators also sought specific agreement to the following Proposals from the Secured Creditor, which do not form part of these Proposals:

- That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.

- That the Joint Administrators' Fee Estimate provided in Appendix 5 in the total sum of £175,400, is approved;
- That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), which have been charged in accordance with Duff & Phelps policy;
- That the unpaid pre-Administration costs totalling £44,734.19, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administration;
- That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final receipts and payments account with the Registrar of Companies or their appointment otherwise ceasing; and
- That, where a Creditors' Committee is formed, the Joint Administrators will seek to obtain approval from the Creditors' Committee.

### **Appendix 3 – Receipts and Payments account**

**Addition Manufacturing Technologies U.K. Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs £	From 23/12/2019 To 22/06/2020 £	From 23/12/2019 To 22/06/2020 £
POST APPOINTMENT SALES		
Sales	220,718.33	220,718.33
COVID-19 Government Grants	50,381.84	50,381.84
	<u>271,100.17</u>	<u>271,100.17</u>
PURCHASES		
Direct Materials	31,878.01	31,878.01
	<u>(31,878.01)</u>	<u>(31,878.01)</u>
OTHER DIRECT COSTS		
Packaging Materials	2,020.85	2,020.85
Direct Labour	301,482.71	301,482.71
Staff Benefit Schemes	9,744.47	9,744.47
	<u>(313,248.03)</u>	<u>(313,248.03)</u>
TRADING EXPENDITURE		
Employee Expenses	19,562.07	19,562.07
Heat & Light	5,698.25	5,698.25
Telephone	4,010.80	4,010.80
Carriage	2,820.17	2,820.17
Lease/HP Payments	1,180.75	1,180.75
Repairs & Maintenance	4,058.25	4,058.25
Sundry Expenses	59.40	59.40
Ransom Creditor Payments	1,803.65	1,803.65
Foreign Payroll Costs	1,071.64	1,071.64
Waste Management	296.38	296.38
Payroll Services	726.00	726.00
	<u>(41,287.36)</u>	<u>(41,287.36)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>(115,313.23)</u></b>	<b><u>(115,313.23)</u></b>

**Addition Manufacturing Technologies U.K. Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 23/12/2019 To 22/06/2020 £	From 23/12/2019 To 22/06/2020 £
ASSET REALISATIONS		
Bank Interest Gross	149.11	149.11
Cash at Bank	317,954.56	317,954.56
Debtors	198,539.15	198,539.15
Insurance Refund	542.01	542.01
Rates Refund	3,092.98	3,092.98
Trading Surplus/(Deficit)	(115,313.23)	(115,313.23)
	<u>404,964.58</u>	<u>404,964.58</u>
COST OF REALISATIONS		
Bank Charges	297.00	297.00
	<u>(297.00)</u>	<u>(297.00)</u>
FLOATING CHARGE CREDITORS		
The Huntington National Bank	225,000.00	225,000.00
	<u>(225,000.00)</u>	<u>(225,000.00)</u>
	<u><b>179,667.58</b></u>	<u><b>179,667.58</b></u>
REPRESENTED BY		
Floating/main current account		177,546.63
VAT payable		(9,464.24)
VAT Receivable		11,585.19
		<u><b>179,667.58</b></u>

#### Appendix 4 – Schedule of expenses

A summary of expenses incurred during the period of this report is set out below:

Schedule of Expenses	Incurred in the prior period but not accrued for (£)	Incurred and paid in the period (£)	Incurred in the period and not yet paid (£)
Expenses			
Legal Fees	0.00	0.00	45,000.00
Agents' Fees	0.00	0.00	250.00
Bank Charges	0.00	297.00	0.00
<b>Total</b>	<b>0.00</b>	<b>297.00</b>	<b>45,250.00</b>

The Joint Administrators choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

The above costs exclude VAT.

## **Appendix 5 – Analysis of time charged and expenses incurred**

Please refer to the table overleaf for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9.

**109933 ADDITION MANUFACTURING TECHNOLOGIES UK LIMITED**

**ANALYSIS OF TIME COSTS FOR THE PERIOD 25/09/2019 to 22/12/2019**

ADP-Admin. - Pre Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Cashiering & accounting	0.00	0.00	0.00	3.50	0.00	3.50	630.00	180.00
Dealing with notice of intention to appoint	0.00	0.50	1.30	0.00	0.00	1.80	551.00	306.11
Dealings with Directors and Management	0.00	2.00	10.30	0.00	0.00	12.30	3,708.50	301.50
IPS set up & maintenance	0.00	0.00	0.00	1.25	0.00	1.25	208.75	167.00
Strategy planning & control	1.50	35.45	47.00	2.10	0.00	86.05	30,819.75	358.16
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	2.45	0.00	0.00	2.45	722.75	295.00
Sale of business	0.00	12.10	9.70	0.00	0.00	21.80	7,386.50	338.83
<b>Total Hours:</b>	<b>1.50</b>	<b>50.05</b>	<b>70.75</b>	<b>6.85</b>	<b>0.00</b>	<b>129.15</b>		<b>340.90</b>
<b>Total Fees Claimed: £</b>	<b>795.00</b>	<b>21,153.25</b>	<b>20,871.25</b>	<b>1,207.75</b>	<b>0.00</b>		<b>44,027.25</b>	

Category 2 Disbursements:



109933 ADDITION MANUFACTURING TECHNOLOGIES UK LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 23/12/2019 to 22/06/2020

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	0.00	1.10	6.50	0.00	7.60	1,590.75	209.31
Cashiering & accounting	0.00	21.00	7.70	32.50	0.00	61.20	19,512.75	318.84
IPS set up & maintenance	0.00	0.00	0.35	1.25	0.00	1.60	328.25	205.16
Insurance	0.00	0.00	0.35	0.85	0.00	1.20	264.75	220.63
Statutory matters (Meetings & Reports & Notices)	3.50	0.25	22.50	23.35	0.00	49.60	14,010.00	282.46
Strategy planning & control	0.00	12.20	16.10	0.00	0.00	28.30	10,481.75	370.38
Tax Compliance / Planning	0.00	0.00	0.25	0.00	0.00	0.25	97.50	390.00
<b>Creditors</b>								
Communications with Creditors / Employees	0.40	1.00	4.90	11.15	0.00	17.45	4,475.75	256.49
Non Pref Creditor claims adjudication & dist'n	0.00	0.00	0.00	0.20	0.00	0.20	38.00	190.00
Non Pref Creditors / Employee claims handling	0.00	0.00	1.25	15.20	0.00	16.45	3,366.50	204.65
Pref claims adjudication & distribution	0.00	0.00	0.00	0.80	0.00	0.80	144.00	180.00
Secured Creditors	1.00	0.00	6.85	0.00	0.00	7.85	3,163.00	402.93
<b>Investigations</b>								
CDDA & reports & Communication	1.00	0.00	3.25	23.65	0.00	27.90	6,570.00	235.48
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	3.50	0.00	0.00	3.50	1,200.00	342.86
Sale of business	0.00	7.30	70.95	0.20	0.00	78.45	27,908.50	355.75
<b>Trading</b>								
Trading - Accounting	1.70	1.50	20.90	13.20	0.00	37.30	10,998.25	294.86
Trading - Employees	0.00	0.00	6.35	6.75	0.00	13.10	3,413.00	260.53
Trading - Insurance	0.00	0.00	0.75	0.00	0.00	0.75	247.50	330.00
Trading - Operations	5.50	4.80	74.60	9.35	0.00	94.25	31,617.25	335.46
Trading - Retention of Title & Claims handling	0.00	0.40	3.70	0.00	0.00	4.10	1,271.50	310.12
<b>Total Hours:</b>	<b>13.10</b>	<b>48.45</b>	<b>245.35</b>	<b>144.95</b>	<b>0.00</b>	<b>451.85</b>		<b>311.38</b>
<b>Total Fees Claimed: £</b>	<b>8,515.00</b>	<b>22,909.75</b>	<b>81,484.50</b>	<b>27,789.75</b>	<b>0.00</b>		<b>140,699.00</b>	

Category 2 Disbursements:

## Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the period 23 December 2019 to 22 June 2020	
Administration and planning	<ul style="list-style-type: none"> <li>Monitoring and reviewing the Administration strategy;</li> <li>Briefing staff on the Administration strategy and matters in relation to workstreams;</li> <li>Regular case management and reviewing of process including regular team update meetings and calls;</li> <li>Meeting with management to review and update strategy and monitor progress;</li> <li>Reviewing and authorising junior staff correspondence and other work;</li> <li>Dealing with queries arising during the appointment;</li> <li>Reviewing matters affecting the outcome of the Administration;</li> <li>Allocating and managing staff case resourcing and budgeting exercises and reviews;</li> <li>Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters;</li> <li>Complying with internal filing and information recording practices, including documenting strategy decisions; and</li> <li>Drafting statutory progress reports.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Updating the list of Unsecured Creditors;</li> <li>Responding to enquiries from Creditors regarding the Administration and submission of their claims;</li> <li>Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and</li> <li>Drafting statutory progress reports; and</li> <li>Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy.</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>Managing and reviewing the Company books and records;</li> <li>Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;</li> <li>Obtaining records from third parties;</li> <li>Enquiring with counterparties who has raised disputes against the Company;</li> <li>Reviewing pre-appointment transactions; and</li> <li>Documenting investigations; and</li> <li>Completing statutory submissions to the Insolvency Service.</li> </ul>
Statutory and compliance	<ul style="list-style-type: none"> <li>Ensuring compliance with all statutory obligations within the relevant timescales;</li> <li>Uploading information to the Website;</li> <li>Drafting and publishing progress reports;</li> <li>Running decision procedures;</li> <li>Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li> <li>Monitoring the fees estimate; and</li> <li>Monitoring the expenses estimate.</li> </ul>

Cashiering	<ul style="list-style-type: none"> <li>• Preparing statutory receipts and payments accounts;</li> <li>• Renewing bonding and complying with statutory requirements;</li> <li>• Making payments and journaling receipts;</li> <li>• Periodic reviews of the Administration accounting records.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>• Collating information from the Company's records regarding assets;</li> <li>• Liaising with finance companies in respect of assets subject to finance agreements;</li> <li>• Liaising with agents regarding the sale of assets;</li> <li>• Liaising with suppliers on retention of title claims;</li> <li>• Reviewing outstanding debtors and management of debt collection strategy;</li> <li>• Seeking legal advice in relation to book debt collections;</li> <li>• Communicating with landlords regarding rent; property occupation and other property issues;</li> <li>• Liaising with third parties regarding costs incurred;</li> <li>• Reviewing and agreeing invoices;</li> <li>• Reviewing costs incurred to ensure recorded accurately;</li> <li>• Arranging payments to agents and solicitors in a timely manner;</li> <li>• Liaising with interested parties regarding a sale of part of the business and assets;</li> <li>• Furnishing interested parties with additional information; and</li> <li>• Negotiating with interested parties on offers made with a view to maximising relations.</li> </ul>
Trading	<ul style="list-style-type: none"> <li>• Site attendance at the Company's trading premises to oversee general trading matters;</li> <li>• Liaising with Company's staff and attending to any queries raised regarding Administration process;</li> <li>• Attending to supplier and customer queries and correspondence;</li> <li>• Reviewing proposed orders for viability;</li> <li>• Reviewing invoices to ensure they correspond with the relevant purchase orders;</li> <li>• Raising payments to suppliers in respect of Administration costs;</li> <li>• Ensuring timely payment of employee wages;</li> <li>• Ensuring accurate accounting for the trading period; and</li> <li>• Contacting all suppliers to obtain final invoices for the trading period.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>• Analysing and considering the tax effects of asset sales;</li> <li>• Working on tax returns relating to the periods affected by the Administrator;</li> <li>• Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and</li> <li>• Dealing with post appointment tax compliance.</li> </ul>

## **Appendix 7 – Statement of Creditors' rights**

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)*

*Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Daniel Ryan at [Daniel.O.Ryan@Duffandphelps.com](mailto:Daniel.O.Ryan@Duffandphelps.com).

### **Information for Creditors on remuneration and disbursements of Administrators**

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/administration-a-creditors-guide-to-insolvency-practitioner-fees-updated.ashx?la=en-gb&hash=007D99D0FCC2E1AAADA98AA36B09E2D94292DBA9>

(click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office.

### **Creditors' requests for further information**

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

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

### **Creditors' right to challenge our remuneration and expenses**

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

Applications by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Daniel Ryan at [Daniel.O.Ryan@duffandphelps.com](mailto:Daniel.O.Ryan@duffandphelps.com).

## Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
AEG	AEG Partners LLC, a business advisory firm specialising in corporate turnaround and restructuring based in Chicago, Illinois
the Agents / SIA	SIA Group Asset Ingenuity Ltd., independent agents who were instructed to value the assets of the Company
the Appointment Date	23 December 2019, being the date of appointment of the Joint Administrators
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Addition Manufacturing Technologies U.K. Limited (In Administration) (Company Number: 05762934)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Philip Aspinall and Charles Gonzalez, the directors of the Company
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Gateley / the Solicitors	Gateley UK LLP, independent third party solicitors instructed by the Joint Administrators
HMRC	HM Revenue and Customs
Huntington	The Huntington National Bank (as a successor by merger to FirstMerit Bank, N.A.), being the holder of a fixed and floating charge over the Company's assets
the Joint Administrators	Sarah Bell and Steven Muncaster of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
Redcoat	Redcoat LLC (as Security Trustee), being the holder of a fixed and floating charge over the Company's assets
the Purchaser	Addison Forming Technologies Limited, the purchaser of the business and assets of the Company
the Reporting Period	The period from 23 December 2019 to 22 June 2020
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditors	Huntington and Redcoat

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SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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#### **Appendix 9 – Notice about this report**

This report has been prepared by Sarah Bell and Steven Muncaster, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Sarah Bell and Steven Muncaster are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.